

[Third Reprint]

**SENATE, No. 20**

---

**STATE OF NEW JERSEY**

**210th LEGISLATURE**

---

INTRODUCED FEBRUARY 11, 2002

**Sponsored by:**

**Senator BERNARD F. KENNY, JR.**

**District 33 (Hudson)**

**Senator JOSEPH A. PALAIA**

**District 11 (Monmouth)**

**Assemblyman JOSEPH J. ROBERTS, JR.**

**District 5 (Camden and Gloucester)**

**Assemblyman JOSEPH V. DORIA, JR.**

**District 31 (Hudson)**

**Co-Sponsored by:**

**Senators Sacco, Bryant, Assemblymen Burzichelli and Fisher**

**SYNOPSIS**

Permits use of Health Care Subsidy Fund for Medicaid expenses in FY2002; redirects \$650,000,000 in payroll taxes from UI fund to Health Care Subsidy Fund; provides extended UI benefits.

**CURRENT VERSION OF TEXT**

As amended by the Assembly on March 25, 2002.

(Sponsorship Updated As Of: 3/26/2002)

1 **AN ACT** concerning the provision <sup>2</sup>and funding<sup>2</sup> of <sup>2</sup>[health care]<sup>2</sup>  
 2 services <sup>2</sup>[to low income] and benefits for certain<sup>2</sup> persons and  
 3 revising parts of the statutory law.

4  
 5 **BE IT ENACTED** *by the Senate and General Assembly of the State*  
 6 *of New Jersey:*

7  
 8 1. Section 8 of P.L.1992, c.160 (C.26:2H-18.58) is amended to  
 9 read as follows:

10 8. There is established the Health Care Subsidy Fund in the  
 11 Department of Health and Senior Services.

12 a. The fund shall be comprised of revenues from employee and  
 13 employer contributions made pursuant to section 29 of P.L.1992,  
 14 c.160 (C.43:21-7b), revenues from the hospital assessment made  
 15 pursuant to section 12 of P.L.1992, c.160 (C.26:2H-18.62), revenues  
 16 pursuant to section 11 of P.L.1996, c.28 (C.26:2H-18.58c), revenues  
 17 from interest and penalties collected pursuant to this act and revenues  
 18 from such other sources as the Legislature shall determine. Interest  
 19 earned on the monies in the fund shall be credited to the fund. The  
 20 fund shall be a nonlapsing fund dedicated for use by the State to: (1)  
 21 distribute charity care and other uncompensated care disproportionate  
 22 share payments to hospitals, and other eligible providers pursuant to  
 23 section 8 of P.L.1996, c.28 (C.26:2H-18.59f), provide subsidies for  
 24 the Health Access New Jersey program established pursuant to section  
 25 15 of P.L.1992, c.160 (C.26:2H-18.65), and provide funding for  
 26 children's health care coverage pursuant to P.L.1997, c.272 (C.30:4I-1  
 27 et seq.); [and] (2) assist hospitals and other health care facilities in the  
 28 underwriting of innovative and necessary health care services; and (3)  
 29 provide for the payment <sup>1</sup>in State fiscal year 2002 <sup>1</sup> of appropriate  
 30 Medicaid expenses, subject to the approval of the Director of the  
 31 Division of Budget and Accounting.

32 b. The fund shall be administered by a person appointed by the  
 33 commissioner.

34 The administrator of the fund is responsible for overseeing and  
 35 coordinating the collection and reimbursement of fund monies. The  
 36 administrator is responsible for promptly informing the commissioner  
 37 if monies are not or are not reasonably expected to be collected or  
 38 disbursed.

39 c. The commissioner shall adopt rules and regulations to ensure  
 40 the integrity of the fund, pursuant to the "Administrative Procedure

**EXPLANATION** - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

<sup>1</sup> Senate SLA committee amendments adopted March 14, 2002.

<sup>2</sup> Senate SBA committee amendments adopted March 21, 2002.

<sup>3</sup> Assembly floor amendments adopted March 25, 2002.

1 Act," P.L.1968, c.410 (C.52:14B-1 et seq.).

2 d. The administrator shall establish separate accounts for the  
3 charity care component of the disproportionate share hospital subsidy,  
4 other uncompensated care component of the disproportionate share  
5 hospital subsidy, hospital and other health care initiatives funding and  
6 the payments for subsidies for insurance premiums to provide care in  
7 disproportionate share hospitals, known as the Health Access New  
8 Jersey subsidy account, respectively.

9 e. In the event that the charity care component of the  
10 disproportionate share hospital subsidy account has a surplus in a  
11 given year after payments are distributed pursuant to the methodology  
12 established in section 13 of P.L.1995, c.133 (C.26:2H-18.59b) and  
13 section 7 of P.L.1996, c.28 (C.26:2H-18.59e) and within the  
14 limitations provided in subsection e. of section 9 of P.L.1992, c.160  
15 (C.26:2H-18.59), the surplus monies in calendar years [1996] 2002  
16 and [1997] 2003 shall lapse to the unemployment compensation fund  
17 established pursuant to R.S.43:21-9, and each year thereafter shall  
18 lapse to the charity care component of the disproportionate share  
19 hospital subsidy account for distribution in subsequent years.  
20 (cf: P.L.1998, c.37, s.1)

21

22 <sup>2</sup>2. R.S.43:21-4 is amended to read as follows:

23 43:21-4. Benefit eligibility conditions. An unemployed individual  
24 shall be eligible to receive benefits with respect to any week only if:

25 (a) The individual has filed a claim at an unemployment insurance  
26 claims office and thereafter continues to report at an employment  
27 service office or unemployment insurance claims office, as directed by  
28 the division in accordance with such regulations as the division may  
29 prescribe, except that the division may, by regulation, waive or alter  
30 either or both of the requirements of this subsection as to individuals  
31 attached to regular jobs, and as to such other types of cases or  
32 situations with respect to which the division finds that compliance with  
33 such requirements would be oppressive, or would be inconsistent with  
34 the purpose of this act; provided that no such regulation shall conflict  
35 with subsection (a) of R.S.43:21-3.

36 (b) The individual has made a claim for benefits in accordance with  
37 the provisions of subsection (a) of R.S.43:21-6.

38 (c) (1) The individual is able to work, and is available for work, and  
39 has demonstrated to be actively seeking work, except as hereinafter  
40 provided in this subsection or in subsection (f) of this section.

41 (2) The director may modify the requirement of actively seeking  
42 work if such modification of this requirement is warranted by  
43 economic conditions.

44 (3) No individual, who is otherwise eligible, shall be deemed  
45 ineligible, or unavailable for work, because the individual is on  
46 vacation, without pay, during said week, if said vacation is not the

1 result of the individual's own action as distinguished from any  
2 collective action of a collective bargaining agent or other action  
3 beyond the individual's control.

4 (4) (A) Subject to such limitations and conditions as the division  
5 may prescribe, an individual, who is otherwise eligible, shall not be  
6 deemed unavailable for work or ineligible because the individual is  
7 attending a training program approved for the individual by the  
8 division to enhance the individual's employment opportunities or  
9 because the individual failed or refused to accept work while attending  
10 such program.

11 (B) For the purpose of this paragraph (4), any training program  
12 shall be regarded as approved by the division for the individual if the  
13 program and the individual meet the following requirements:

14 (i) The training is for a labor demand occupation and is likely to  
15 enhance the individual's marketable skills and earning power;

16 (ii) The training is provided by a competent and reliable private or  
17 public entity approved by the Commissioner of Labor pursuant to the  
18 provisions of section 8 of the "1992 New Jersey Employment and  
19 Workforce Development Act," P.L.1992, c.43 (C.34:15D-8);

20 (iii) The individual can reasonably be expected to complete the  
21 program, either during or after the period of benefits;

22 (iv) The training does not include on the job training or other  
23 training under which the individual is paid by an employer for work  
24 performed by the individual during the time that the individual receives  
25 benefits; and

26 (v) The individual enrolls in vocational training, remedial education  
27 or a combination of both on a full-time basis.

28 (C) If the requirements of subparagraph (B) of this paragraph (4)  
29 are met, the division shall not withhold approval of the training  
30 program for the individual for any of the following reasons:

31 (i) The training includes remedial basic skills education necessary  
32 for the individual to successfully complete the vocational component  
33 of the training;

34 (ii) The training is provided in connection with a program under  
35 which the individual may obtain a college degree, including a  
36 post-graduate degree;

37 (iii) The length of the training period under the program; or

38 (iv) The lack of a prior guarantee of employment upon completion  
39 of the training.

40 (D) For the purpose of this paragraph (4), "labor demand  
41 occupation" means an occupation for which there is or is likely to be  
42 an excess of demand over supply for adequately trained workers,  
43 including, but not limited to, an occupation designated as a labor  
44 demand occupation by the New Jersey Occupational Information  
45 Coordinating Committee pursuant to the provisions of subsection h.  
46 of section 1 of P.L.1987, c.457 (C.34:1A-76) or section 12 of

1 P.L.1992, c.43 (C.34:1A-78).

2 (5) An unemployed individual, who is otherwise eligible, shall not  
3 be deemed unavailable for work or ineligible solely by reason of the  
4 individual's attendance before a court in response to a summons for  
5 service on a jury.

6 (6) An unemployed individual, who is otherwise eligible, shall not  
7 be deemed unavailable for work or ineligible solely by reason of the  
8 individual's attendance at the funeral of an immediate family member,  
9 provided that the duration of the attendance does not extend beyond  
10 a two-day period.

11 For purposes of this paragraph, "immediate family member"  
12 includes any of the following individuals: father, mother,  
13 mother-in-law, father-in-law, grandmother, grandfather, grandchild,  
14 spouse, child, foster child, sister or brother of the unemployed  
15 individual and any relatives of the unemployed individual residing in  
16 the unemployed individual's household.

17 (7) No individual, who is otherwise eligible, shall be deemed  
18 ineligible or unavailable for work with respect to any week because,  
19 during that week, the individual fails or refuses to accept work while  
20 the individual is participating on a full-time basis in self-employment  
21 assistance activities authorized by the division, whether or not the  
22 individual is receiving a self-employment allowance during that week.

23 (8) Any individual who is determined to be likely to exhaust  
24 regular benefits and need reemployment services based on information  
25 obtained by the worker profiling system shall not be eligible to receive  
26 benefits if the individual fails to participate in available reemployment  
27 services to which the individual is referred by the division or in similar  
28 services, unless the division determines that:

29 (A) The individual has completed the reemployment services; or

30 (B) There is justifiable cause for the failure to participate, which  
31 shall include participation in employment and training,  
32 self-employment assistance activities or other activities authorized by  
33 the division to assist reemployment or enhance the marketable skills  
34 and earning power of the individual and which shall include any other  
35 circumstance indicated pursuant to this section in which an individual  
36 is not required to be available for and actively seeking work to receive  
37 benefits.

38 (d) [The] With respect to any benefit year commencing before  
39 January 1, 2002, the individual has been totally or partially  
40 unemployed for a waiting period of one week in the benefit year which  
41 includes that week. When benefits become payable with respect to the  
42 third consecutive week next following the waiting period, the  
43 individual shall be eligible to receive benefits as appropriate with  
44 respect to the waiting period. No week shall be counted as a week of  
45 unemployment for the purposes of this subsection:

46 (1) If benefits have been paid, or are payable with respect thereto;

1 provided that the requirements of this paragraph shall be waived with  
2 respect to any benefits paid or payable for a waiting period as provided  
3 in this subsection;

4 (2) If it has constituted a waiting period week under the  
5 "Temporary Disability Benefits Law," P.L.1948, c.110 (C.43:21-25 et  
6 seq.);

7 (3) Unless the individual fulfills the requirements of subsections (a)  
8 and (c) of this section;

9 (4) If with respect thereto, claimant was disqualified for benefits  
10 in accordance with the provisions of subsection (d) of R.S.43:21-5.

11 The waiting period provided by this subsection shall not apply to  
12 benefit years commencing on or after January 1, 2002. An individual  
13 whose total benefit amount was reduced by the application of the  
14 waiting period to a claim which occurred on or after January 1, 2002  
15 and before the effective date of P.L. , c. (now pending before the  
16 Legislature as this bill), shall be permitted to file a claim for the  
17 additional benefits attributable to the waiting period in the form and  
18 manner prescribed by the division, but not later than the 180th day  
19 following the effective date of P.L. , c. (now pending before the  
20 Legislature as this bill) unless the division determines that there is  
21 good cause for a later filing.

22 (e) (1) (Deleted by amendment, P.L.2001, c.17).

23 (2) With respect to benefit years commencing on or after January  
24 1, 1996 and before January 7, 2001, except as otherwise provided in  
25 paragraph (3) of this subsection, the individual has, during his base  
26 year as defined in subsection (c) of R.S.43:21-19:

27 (A) Established at least 20 base weeks as defined in paragraph (2)  
28 of subsection (t) of R.S.43:21-19; or

29 (B) If the individual has not met the requirements of subparagraph  
30 (A) of this paragraph (2), earned remuneration not less than an amount  
31 12 times the Statewide average weekly remuneration paid to workers,  
32 as determined under R.S.43:21-3(c), which amount shall be adjusted  
33 to the next higher multiple of \$100.00 if not already a multiple thereof;  
34 or

35 (C) If the individual has not met the requirements of subparagraph  
36 (A) or (B) of this paragraph (2), earned remuneration not less than an  
37 amount 1,000 times the minimum wage in effect pursuant to section  
38 5 of P.L.1966, c.113 (C.34:11-56a4) on October 1 of the calendar  
39 year preceding the calendar year in which the benefit year commences,  
40 which amount shall be adjusted to the next higher multiple of \$100.00  
41 if not already a multiple thereof.

42 (3) With respect to benefit years commencing before January 7,  
43 2001, notwithstanding the provisions of paragraph (2) of this  
44 subsection, an unemployed individual claiming benefits on the basis of  
45 service performed in the production and harvesting of agricultural  
46 crops shall, subject to the limitations of subsection (i) of R.S.43:21-19,

1 be eligible to receive benefits if during his base year, as defined in  
2 subsection (c) of R.S.43:21-19, the individual:

3 (A) Has established at least 20 base weeks as defined in paragraph  
4 (2) of subsection (t) of R.S.43:21-19; or

5 (B) Has earned 12 times the Statewide average weekly  
6 remuneration paid to workers, as determined under R.S.43:21-3(c),  
7 raised to the next higher multiple of \$100.00 if not already a multiple  
8 thereof, or more; or

9 (C) Has performed at least 770 hours of service in the production  
10 and harvesting of agricultural crops.

11 (4) With respect to benefit years commencing on or after January  
12 7, 2001, except as otherwise provided in paragraph (5) of this  
13 subsection, the individual has, during his base year as defined in  
14 subsection (c) of R.S.43:21-19:

15 (A) Established at least 20 base weeks as defined in paragraphs (2)  
16 and (3) of subsection (t) of R.S.43:21-19; or

17 (B) If the individual has not met the requirements of subparagraph  
18 (A) of this paragraph (4), earned remuneration not less than an amount  
19 1,000 times the minimum wage in effect pursuant to section 5 of  
20 P.L.1966, c.113 (C.34:11-56a4) on October 1 of the calendar year  
21 preceding the calendar year in which the benefit year commences,  
22 which amount shall be adjusted to the next higher multiple of \$100 if  
23 not already a multiple thereof.

24 (5) With respect to benefit years commencing on or after January  
25 7, 2001, notwithstanding the provisions of paragraph (4) of this  
26 subsection, an unemployed individual claiming benefits on the basis of  
27 service performed in the production and harvesting of agricultural  
28 crops shall, subject to the limitations of subsection (i) of R.S.43:21-19,  
29 be eligible to receive benefits if during his base year, as defined in  
30 subsection (c) of R.S.43:21-19, the individual:

31 (A) Has established at least 20 base weeks as defined in paragraphs  
32 (2) and (3) of subsection (t) of R.S.43:21-19; or

33 (B) Has earned remuneration not less than an amount 1,000 times  
34 the minimum wage in effect pursuant to section 5 of P.L.1966, c.113  
35 (C.34:11-56a4) on October 1 of the calendar year preceding the  
36 calendar year in which the benefit year commences, which amount  
37 shall be adjusted to the next higher multiple of \$100 if not already a  
38 multiple thereof; or

39 (C) Has performed at least 770 hours of service in the production  
40 and harvesting of agricultural crops.

41 (6) The individual applying for benefits in any successive benefit  
42 year has earned at least six times his previous weekly benefit amount  
43 and has had four weeks of employment since the beginning of the  
44 immediately preceding benefit year. This provision shall be in addition  
45 to the earnings requirements specified in paragraph (2), (3), (4) or (5)  
46 of this subsection, as applicable.

1 (f) (1) The individual has suffered any accident or sickness not  
2 compensable under the workers' compensation law, R.S.34:15-1 et  
3 seq. and resulting in the individual's total disability to perform any  
4 work for remuneration, and would be eligible to receive benefits under  
5 this chapter (R.S.43:21-1 et seq.) (without regard to the maximum  
6 amount of benefits payable during any benefit year) except for the  
7 inability to work and has furnished notice and proof of claim to the  
8 division, in accordance with its rules and regulations, and payment is  
9 not precluded by the provisions of R.S.43:21-3(d); provided, however,  
10 that benefits paid under this subsection (f) shall be computed on the  
11 basis of only those base year wages earned by the claimant as a  
12 "covered individual," as defined in R.S.43:21-27(b); provided further  
13 that no benefits shall be payable under this subsection to any  
14 individual:

15 (A) For any period during which such individual is not under the  
16 care of a legally licensed physician, dentist, optometrist, podiatrist,  
17 practicing psychologist or chiropractor;

18 (B) (Deleted by amendment, P.L.1980, c.90.)

19 (C) For any period of disability due to willfully or intentionally  
20 self-inflicted injury, or to injuries sustained in the perpetration by the  
21 individual of a crime of the first, second or third degree;

22 (D) For any week with respect to which or a part of which the  
23 individual has received or is seeking benefits under any unemployment  
24 compensation or disability benefits law of any other state or of the  
25 United States; provided that if the appropriate agency of such other  
26 state or the United States finally determines that the individual is not  
27 entitled to such benefits, this disqualification shall not apply;

28 (E) For any week with respect to which or part of which the  
29 individual has received or is seeking disability benefits under the  
30 "Temporary Disability Benefits Law," P.L.1948, c.110 (C.43:21-25 et  
31 seq.);

32 (F) For any period of disability commencing while such individual  
33 is a "covered individual," as defined in subsection (b) of section 3 of  
34 the "Temporary Disability Benefits Law," P.L.1948, c.110  
35 (C.43:21-27).

36 (2) Benefit payments under this subsection (f) shall be charged to  
37 and paid from the State disability benefits fund established by the  
38 "Temporary Disability Benefits Law," P.L.1948, c.110 (C.43:21-25 et  
39 seq.), and shall not be charged to any employer account in computing  
40 any employer's experience rate for contributions payable under this  
41 chapter.

42 (g) Benefits based on service in employment defined in  
43 subparagraphs (B) and (C) of R.S.43:21-19(i)(1) shall be payable in  
44 the same amount and on the terms and subject to the same conditions  
45 as benefits payable on the basis of other service subject to the  
46 "unemployment compensation law"; except that, notwithstanding any

1 other provisions of the "unemployment compensation law":

2 (1) With respect to service performed after December 31, 1977, in  
3 an instructional research, or principal administrative capacity for an  
4 educational institution, benefits shall not be paid based on such  
5 services for any week of unemployment commencing during the period  
6 between two successive academic years, or during a similar period  
7 between two regular terms, whether or not successive, or during a  
8 period of paid sabbatical leave provided for in the individual's contract,  
9 to any individual if such individual performs such services in the first  
10 of such academic years (or terms) and if there is a contract or a  
11 reasonable assurance that such individual will perform services in any  
12 such capacity for any educational institution in the second of such  
13 academic years or terms;

14 (2) With respect to weeks of unemployment beginning after  
15 September 3, 1982, on the basis of service performed in any other  
16 capacity for an educational institution, benefits shall not be paid on the  
17 basis of such services to any individual for any week which commences  
18 during a period between two successive academic years or terms if  
19 such individual performs such services in the first of such academic  
20 years or terms and there is a reasonable assurance that such individual  
21 will perform such services in the second of such academic years or  
22 terms, except that if benefits are denied to any individual under this  
23 paragraph (2) and the individual was not offered an opportunity to  
24 perform these services for the educational institution for the second of  
25 any academic years or terms, the individual shall be entitled to a  
26 retroactive payment of benefits for each week for which the individual  
27 filed a timely claim for benefits and for which benefits were denied  
28 solely by reason of this clause;

29 (3) With respect to those services described in paragraphs (1) and  
30 (2) above, benefits shall not be paid on the basis of such services to  
31 any individual for any week which commences during an established  
32 and customary vacation period or holiday recess if such individual  
33 performs such services in the period immediately before such vacation  
34 period or holiday recess, and there is a reasonable assurance that such  
35 individual will perform such services in the period immediately  
36 following such period or holiday recess;

37 (4) With respect to any services described in paragraphs (1) and  
38 (2) above, benefits shall not be paid as specified in paragraphs (1), (2),  
39 and (3) above to any individual who performed those services in an  
40 educational institution while in the employ of an educational service  
41 agency, and for this purpose the term "educational service agency"  
42 means a governmental agency or governmental entity which is  
43 established and operated exclusively for the purpose of providing  
44 those services to one or more educational institutions.

45 (h) Benefits shall not be paid to any individual on the basis of any  
46 services, substantially all of which consist of participating in sports or

1 athletic events or training or preparing to so participate, for any week  
2 which commences during the period between two successive sports  
3 seasons (or similar periods) if such individual performed such services  
4 in the first of such seasons (or similar periods) and there is a  
5 reasonable assurance that such individual will perform such services in  
6 the later of such seasons (or similar periods).

7 (i) (1) Benefits shall not be paid on the basis of services performed  
8 by an alien unless such alien is an individual who was lawfully admitted  
9 for permanent residence at the time the services were performed and  
10 was lawfully present for the purpose of performing the services or  
11 otherwise was permanently residing in the United States under color  
12 of law at the time the services were performed (including an alien who  
13 is lawfully present in the United States as a result of the application of  
14 the provisions of section 212(d)(5) (8 U.S.C. s.1182 (d)(5)) of the  
15 Immigration and Nationality Act (8 U.S.C. s.1101 et seq.)); provided  
16 that any modifications of the provisions of section 3304(a)(14) of the  
17 Federal Unemployment Tax Act (26 U.S.C. s.3304 (a)(14)), as  
18 provided by Pub.L.94-566, which specify other conditions or other  
19 effective dates than stated herein for the denial of benefits based on  
20 services performed by aliens and which modifications are required to  
21 be implemented under State law as a condition for full tax credit  
22 against the tax imposed by the Federal Unemployment Tax Act, shall  
23 be deemed applicable under the provisions of this section.

24 (2) Any data or information required of individuals applying for  
25 benefits to determine whether benefits are not payable to them because  
26 of their alien status shall be uniformly required from all applicants for  
27 benefits.

28 (3) In the case of an individual whose application for benefits  
29 would otherwise be approved, no determination that benefits to such  
30 individual are not payable because of alien status shall be made except  
31 upon a preponderance of the evidence.

32 (j) Notwithstanding any other provision of this chapter, the  
33 director may, to the extent that it may be deemed efficient and  
34 economical, provide for consolidated administration by one or more  
35 representatives or deputies of claims made pursuant to subsection (f)  
36 of this section with those made pursuant to Article III (State plan) of  
37 the "Temporary Disability Benefits Law," P.L.1948, c.110  
38 (C.43:21-25 et seq.).<sup>2</sup>

39 (cf: P.L.2001, c.17, s.1)

40

41 <sup>2</sup>[2.] 3.<sup>2</sup> R.S.43:21-7 is amended to read as follows:

42 43:21-7. Contributions. Employers other than governmental  
43 entities, whose benefit financing provisions are set forth in section 4  
44 of P.L.1971, c.346 (C.43:21-7.3), and those nonprofit organizations  
45 liable for payment in lieu of contributions on the basis set forth in  
46 section 3 of P.L.1971, c.346 (C.43:21-7.2), shall pay to the controller

1 for the unemployment compensation fund, contributions as set forth  
2 in subsections (a), (b) and (c) hereof, and the provisions of subsections  
3 (d) and (e) shall be applicable to all employers, consistent with the  
4 provisions of the "unemployment compensation law" and the  
5 "Temporary Disability Benefits Law," P.L.1948, c.110 (C.43:21-25 et  
6 seq.).

7 (a) Payment.

8 (1) Contributions shall accrue and become payable by each  
9 employer for each calendar year in which he is subject to this chapter  
10 (R.S.43:21-1 et seq.), with respect to having individuals in his employ  
11 during that calendar year, at the rates and on the basis hereinafter set  
12 forth. Such contributions shall become due and be paid by each  
13 employer to the controller for the fund, in accordance with such  
14 regulations as may be prescribed, and shall not be deducted, in whole  
15 or in part, from the remuneration of individuals in his employ.

16 (2) In the payment of any contributions, a fractional part of a cent  
17 shall be disregarded unless it amounts to \$0.005 or more, in which  
18 case it shall be increased to \$0.01.

19 (b) Rate of contributions. Each employer shall pay the following  
20 contributions:

21 (1) For the calendar year 1947, and each calendar year thereafter,  
22  $2\frac{7}{10}\%$  of wages paid by him during each such calendar year, except  
23 as otherwise prescribed by subsection (c) of this section.

24 (2) The "wages" of any individual, with respect to any one  
25 employer, as the term is used in this subsection (b) and in subsections  
26 (c), (d) and (e) of this section 7, shall include the first \$4,800.00 paid  
27 during calendar year 1975, for services performed either within or  
28 without this State; provided that no contribution shall be required by  
29 this State with respect to services performed in another state if such  
30 other state imposes contribution liability with respect thereto. If an  
31 employer (hereinafter referred to as a successor employer) during any  
32 calendar year acquires substantially all the property used in a trade or  
33 business of another employer (hereinafter referred to as a  
34 predecessor), or used in a separate unit of a trade or business of a  
35 predecessor, and immediately after the acquisition employs in his trade  
36 or business an individual who immediately prior to the acquisition was  
37 employed in the trade or business of such predecessors, then, for the  
38 purpose of determining whether the successor employer has paid  
39 wages with respect to employment equal to the first \$4,800.00 paid  
40 during calendar year 1975, any wages paid to such individual by such  
41 predecessor during such calendar year and prior to such acquisition  
42 shall be considered as having been paid by such successor employer.

43 (3) For calendar years beginning on and after January 1, 1976, the  
44 "wages" of any individual, as defined in the preceding paragraph (2)  
45 of this subsection (b), shall be established and promulgated by the  
46 Commissioner of Labor on or before September 1 of the preceding

1 year and shall be 28 times the Statewide average weekly remuneration  
2 paid to workers by employers, as determined under R.S.43:21-3(c),  
3 raised to the next higher multiple of \$100.00 if not already a multiple  
4 thereof, provided that if the amount of wages so determined for a  
5 calendar year is less than the amount similarly determined for the  
6 preceding year, the greater amount will be used; provided, further, that  
7 if the amount of such wages so determined does not equal or exceed  
8 the amount of wages as defined in subsection (b) of section 3306 of  
9 the Federal Unemployment Tax Act, Chapter 23 of the Internal  
10 Revenue Code of 1986 (26 U.S.C.s.3306(b)), the wages as determined  
11 in this paragraph in any calendar year shall be raised to equal the  
12 amount established under the Federal Unemployment Tax Act for that  
13 calendar year.

14 (c) Future rates based on benefit experience.

15 (1) A separate account for each employer shall be maintained and  
16 this shall be credited with all the contributions which he has paid on  
17 his own behalf on or before January 31 of any calendar year with  
18 respect to employment occurring in the preceding calendar year;  
19 provided, however, that if January 31 of any calendar year falls on a  
20 Saturday or Sunday, an employer's account shall be credited as of  
21 January 31 of such calendar year with all the contributions which he  
22 has paid on or before the next succeeding day which is not a Saturday  
23 or Sunday. But nothing in this chapter (R.S.43:21-1 et seq.) shall be  
24 construed to grant any employer or individuals in his service prior  
25 claims or rights to the amounts paid by him into the fund either on his  
26 own behalf or on behalf of such individuals. Benefits paid with respect  
27 to benefit years commencing on and after January 1, 1953, to any  
28 individual on or before December 31 of any calendar year with respect  
29 to unemployment in such calendar year and in preceding calendar years  
30 shall be charged against the account or accounts of the employer or  
31 employers in whose employment such individual established base  
32 weeks constituting the basis of such benefits, except that, with respect  
33 to benefit years commencing after January 4, 1998, an employer's  
34 account shall not be charged for benefits paid to a claimant if the  
35 claimant's employment by that employer was ended in any way which,  
36 pursuant to subsection (a), (b), (c), (f), (g) or (h) of R.S.43:21-5,  
37 would have disqualified the claimant for benefits if the claimant had  
38 applied for benefits at the time when that employment ended. Benefits  
39 paid under a given benefit determination shall be charged against the  
40 account of the employer to whom such determination relates. When  
41 each benefit payment is made, either a copy of the benefit check or  
42 other form of notification shall be promptly sent to the employer  
43 against whose account the benefits are to be charged. Such copy or  
44 notification shall identify the employer against whose account the  
45 amount of such payment is being charged, shall show at least the name  
46 and social security account number of the claimant and shall specify

1 the period of unemployment to which said check applies. If the total  
2 amount of benefits paid to a claimant and charged to the account of  
3 the appropriate employer exceeds 50% of the total base year, base  
4 week wages paid to the claimant by that employer, then such employer  
5 shall have canceled from his account such excess benefit charges as  
6 specified above.

7 Each employer shall be furnished an annual summary statement of  
8 benefits charged to his account.

9 (2) Regulations may be prescribed for the establishment,  
10 maintenance, and dissolution of joint accounts by two or more  
11 employers, and shall, in accordance with such regulations and upon  
12 application by two or more employers to establish such an account, or  
13 to merge their several individual accounts in a joint account, maintain  
14 such joint account as if it constituted a single employer's account.

15 (3) No employer's rate shall be lower than 5.4% unless assignment  
16 of such lower rate is consistent with the conditions applicable to  
17 additional credit allowance for such year under section 3303(a)(1) of  
18 the Internal Revenue Code of 1986 (26 U.S.C.s.3303(a)(1)), any other  
19 provision of this section to the contrary notwithstanding.

20 (4) Employer Reserve Ratio. (A) Each employer's rate shall be 2  
21  $\frac{8}{10}\%$ , except as otherwise provided in the following provisions. No  
22 employer's rate for the 12 months commencing July 1 of any calendar  
23 year shall be other than  $2\frac{8}{10}\%$ , unless as of the preceding January 31  
24 such employer shall have paid contributions with respect to wages paid  
25 in each of the three calendar years immediately preceding such year,  
26 in which case such employer's rate for the 12 months commencing July  
27 1 of any calendar year shall be determined on the basis of his record up  
28 to the beginning of such calendar year. If, at the beginning of such  
29 calendar year, the total of all his contributions, paid on his own behalf,  
30 for all past years exceeds the total benefits charged to his account for  
31 all such years, his contribution rate shall be:

32 (1)  $2\frac{5}{10}\%$ , if such excess equals or exceeds 4%, but less than  
33 5%, of his average annual payroll (as defined in paragraph (2),  
34 subsection (a) of R.S.43:21-19);

35 (2)  $2\frac{2}{10}\%$ , if such excess equals or exceeds 5%, but is less than  
36 6%, of his average annual payroll;

37 (3)  $1\frac{9}{10}\%$ , if such excess equals or exceeds 6%, but is less than  
38 7%, of his average annual payroll;

39 (4)  $1\frac{6}{10}\%$ , if such excess equals or exceeds 7%, but is less than  
40 8%, of his average annual payroll;

41 (5)  $1\frac{3}{10}\%$ , if such excess equals or exceeds 8%, but is less than  
42 9%, of his average annual payroll;

43 (6) 1%, if such excess equals or exceeds 9%, but is less than 10%,  
44 of his average annual payroll;

45 (7)  $\frac{7}{10}$  of 1%, if such excess equals or exceeds 10%, but is less  
46 than 11%, of his average annual payroll;

1 (8)  $\frac{4}{10}$  of 1%, if such excess equals or exceeds 11% of his  
2 average annual payroll.

3 (B) If the total of an employer's contributions, paid on his own  
4 behalf, for all past periods for the purposes of this paragraph (4), is  
5 less than the total benefits charged against his account during the same  
6 period, his rate shall be:

7 (1) 4%, if such excess is less than 10% of his average annual  
8 payroll;

9 (2)  $4\frac{3}{10}\%$ , if such excess equals or exceeds 10%, but is less than  
10 20%, of his average annual payroll;

11 (3)  $4\frac{6}{10}\%$ , if such excess equals or exceeds 20% of his average  
12 annual payroll.

13 (C) Specially assigned rates. If no contributions were paid on  
14 wages for employment in any calendar year used in determining the  
15 average annual payroll of an employer eligible for an assigned rate  
16 under this paragraph (4), the employer's rate shall be specially assigned  
17 as follows:

18 (i) if the reserve balance in its account is positive, its assigned rate  
19 shall be the highest rate in effect for positive balance accounts for that  
20 period, or 5.4%, whichever is higher, and (ii) if the reserve balance in  
21 its account is negative, its assigned rate shall be the highest rate in  
22 effect for deficit accounts for that period.

23 (D) The contribution rates prescribed by subparagraphs (A) and (B)  
24 of this paragraph (4) shall be increased or decreased in accordance  
25 with the provisions of paragraph (5) of this subsection (c) for  
26 experience rating periods through June 30, 1986.

27 (5) (A) Unemployment Trust Fund Reserve Ratio. If on March 31  
28 of any calendar year the balance in the unemployment trust fund equals  
29 or exceeds 4% but is less than 7% of the total taxable wages reported  
30 to the controller as of that date in respect to employment during the  
31 preceding calendar year, the contribution rate, effective July 1  
32 following, of each employer eligible for a contribution rate calculation  
33 based upon benefit experience, shall be increased by  $\frac{3}{10}$  of 1% over  
34 the contribution rate otherwise established under the provisions of  
35 paragraph (3) or (4) of this subsection. If on March 31 of any  
36 calendar year the balance of the unemployment trust fund exceeds  $2\frac{1}{2}\%$   
37 but is less than 4% of the total taxable wages reported to the  
38 controller as of that date in respect to employment during the  
39 preceding calendar year, the contribution rate, effective July 1  
40 following, of each employer eligible for a contribution rate calculation  
41 based upon benefit experience, shall be increased by  $\frac{6}{10}$  of 1% over  
42 the contribution rate otherwise established under the provisions of  
43 paragraph (3) or (4) of this subsection.

44 If on March 31 of any calendar year the balance of the  
45 unemployment trust fund is less than  $2\frac{1}{2}\%$  of the total taxable wages  
46 reported to the controller as of that date in respect to employment

1 during the preceding calendar year, the contribution rate, effective July  
2 1 following, of each employer (1) eligible for a contribution rate  
3 calculation based upon benefit experience, shall be increased by (i)  
4  $\frac{6}{10}$  of 1% over the contribution rate otherwise established under the  
5 provisions of paragraph (3), (4)(A) or (4)(B) of this subsection, and  
6 (ii) an additional amount equal to 20% of the total rate established  
7 herein, provided, however, that the final contribution rate for each  
8 employer shall be computed to the nearest multiple of  $\frac{1}{10}\%$  if not  
9 already a multiple thereof; (2) not eligible for a contribution rate  
10 calculation based upon benefit experience, shall be increased by  $\frac{6}{10}$   
11 of 1% over the contribution rate otherwise established under the  
12 provisions of paragraph (4) of this subsection. For the period  
13 commencing July 1, 1984 and ending June 30, 1986, the contribution  
14 rate for each employer liable to pay contributions under R.S.43:21-7  
15 shall be increased by a factor of 10% computed to the nearest multiple  
16 of  $\frac{1}{10}\%$  if not already a multiple thereof.

17 (B) If on March 31 of any calendar year the balance in the  
18 unemployment trust fund equals or exceeds 10% but is less than  $\frac{12}{100}$   
19 of the total taxable wages reported to the controller as of that  
20 date in respect to employment during the preceding calendar year, the  
21 contribution rate, effective July 1 following, of each employer eligible  
22 for a contribution rate calculation based upon benefit experience, shall  
23 be reduced by  $\frac{3}{10}$  of 1% under the contribution rate otherwise  
24 established under the provisions of paragraphs (3) and (4) of this  
25 subsection; provided that in no event shall the contribution rate of any  
26 employer be reduced to less than  $\frac{4}{10}$  of 1%. If on March 31 of any  
27 calendar year the balance in the unemployment trust fund equals or  
28 exceeds  $\frac{12}{100}$  of the total taxable wages reported to the controller  
29 as of that date in respect to employment during the preceding calendar  
30 year, the contribution rate, effective July 1 following, of each  
31 employer eligible for a contribution rate calculation based upon benefit  
32 experience, shall be reduced by  $\frac{6}{10}$  of 1% if his account for all past  
33 periods reflects an excess of contributions paid over total benefits  
34 charged of 3% or more of his average annual payroll, otherwise by  
35  $\frac{3}{10}$  of 1% under the contribution rate otherwise established under the  
36 provisions of paragraphs (3) and (4) of this subsection; provided that  
37 in no event shall the contribution rate of any employer be reduced to  
38 less than  $\frac{4}{10}$  of 1%.

39 (C) The "balance" in the unemployment trust fund, as the term is  
40 used in subparagraphs (A) and (B) above, shall not include moneys  
41 credited to the State's account under section 903 of the Social Security  
42 Act, as amended (42 U.S.C.s.1103), during any period in which such  
43 moneys are appropriated for the payment of expenses incurred in the  
44 administration of the "unemployment compensation law."

45 (D) Prior to July 1 of each calendar year the controller shall  
46 determine the Unemployment Trust Reserve Ratio, which shall be

1 calculated by dividing the balance of the unemployment trust fund as  
2 of the prior March 31 by total taxable wages reported to the controller  
3 by all employers as of March 31 with respect to their employment  
4 during the last calendar year.

5 (E)(i) (Deleted by amendment, P.L.1997, c.263).

6 (ii) (Deleted by amendment, P.L.2001, c.152).

7 (iii) With respect to experience rating years beginning on or after  
8 July 1, 1998 <sup>1</sup>and before July 1, 2002<sup>1</sup>, the new employer rate or the  
9 unemployment experience rate of an employer under this section shall  
10 be the rate which appears in the column headed by the Unemployment  
11 Trust Fund Reserve Ratio as of the applicable calculation date and on  
12 the line with the Employer Reserve Ratio, as defined in paragraph 4 of  
13 this subsection (R.S.43:21-7 (c)(4)), as set forth in the following table:

1	EXPERIENCE RATING TAX TABLE
2	Fund Reserve Ratio <sup>1</sup>
3	
4	4.50% 3.50% 3.00% 2.50% 2.49%
5	Employer and to to to and
6	Reserve Over 4.49% 3.49% 2.99% Under
7	Ratio <sup>2</sup> A B C D E
8	Positive Reserve Ratio:
9	17% and over 0.3 0.4 0.5 0.6 1.2
10	16.00% to 16.99% 0.4 0.5 0.6 0.6 1.2
11	15.00% to 15.99% 0.4 0.6 0.7 0.7 1.2
12	14.00% to 14.99% 0.5 0.6 0.7 0.8 1.2
13	13.00% to 13.99% 0.6 0.7 0.8 0.9 1.2
14	12.00% to 12.99% 0.6 0.8 0.9 1.0 1.2
15	11.00% to 11.99% 0.7 0.8 1.0 1.1 1.2
16	10.00% to 10.99% 0.9 1.1 1.3 1.5 1.6
17	9.00% to 9.99% 1.0 1.3 1.6 1.7 1.9
18	8.00% to 8.99% 1.3 1.6 1.9 2.1 2.3
19	7.00% to 7.99% 1.4 1.8 2.2 2.4 2.6
20	6.00% to 6.99% 1.7 2.1 2.5 2.8 3.0
21	5.00% to 5.99% 1.9 2.4 2.8 3.1 3.4
22	4.00% to 4.99% 2.0 2.6 3.1 3.4 3.7
23	3.00% to 3.99% 2.1 2.7 3.2 3.6 3.9
24	2.00% to 2.99% 2.2 2.8 3.3 3.7 4.0
25	1.00% to 1.99% 2.3 2.9 3.4 3.8 4.1
26	0.00% to 0.99% 2.4 3.0 3.6 4.0 4.3
27	Deficit Reserve Ratio:
28	-0.00% to -2.99% 3.4 4.3 5.1 5.6 6.1
29	-3.00% to -5.99% 3.4 4.3 5.1 5.7 6.2
30	-6.00% to -8.99% 3.5 4.4 5.2 5.8 6.3
31	-9.00% to -11.99% 3.5 4.5 5.3 5.9 6.4
32	-12.00% to -14.99% 3.6 4.6 5.4 6.0 6.5
33	-15.00% to -19.99% 3.6 4.6 5.5 6.1 6.6
34	-20.00% to -24.99% 3.7 4.7 5.6 6.2 6.7
35	-25.00% to -29.99% 3.7 4.8 5.6 6.3 6.8
36	-30.00% to -34.99% 3.8 4.8 5.7 6.3 6.9
37	-35.00% and under 5.4 5.4 5.8 6.4 7.0
38	New Employer Rate 2.8 2.8 2.8 3.1 3.4
39	<sup>1</sup> Fund balance as of March 31 as a percentage of taxable wages in
40	the prior calendar year.
41	<sup>2</sup> Employer Reserve Ratio (Contributions minus benefits as a
42	percentage of employer's taxable wages).
43	<u>(iv) With respect to experience rating years beginning on or after</u>
44	<u>July 1, 2002, the new employer rate or the unemployment experience</u>
45	<u>rate of an employer under this section shall be the rate which appears</u>
46	<u>in the column headed by the Unemployment Trust Fund Reserve Ratio</u>

as of the applicable calculation date and on the line with the Employer Reserve Ratio, as defined in paragraph 4 of this subsection (R.S.43:21-7 (c)(4)), as set forth in the following table:

EXPERIENCE RATING TAX TABLE					
Fund Reserve Ratio <sup>1</sup>					
	3.50%	3.00%	2.50%	2.00%	1.99%
Employer and Reserve Ratio <sup>2</sup>	and Over	to 3.49%	to 2.99%	to 2.49%	and Under
	A	B	C	D	E
<b>Positive Reserve Ratio:</b>					
17% and over	0.3	0.4	0.5	0.6	1.2
16.00% to 16.99%	0.4	0.5	0.6	0.6	1.2
15.00% to 15.99%	0.4	0.6	0.7	0.7	1.2
14.00% to 14.99%	0.5	0.6	0.7	0.8	1.2
13.00% to 13.99%	0.6	0.7	0.8	0.9	1.2
12.00% to 12.99%	0.6	0.8	0.9	1.0	1.2
11.00% to 11.99%	0.7	0.8	1.0	1.1	1.2
10.00% to 10.99%	0.9	1.1	1.3	1.5	1.6
9.00% to 9.99%	1.0	1.3	1.6	1.7	1.9
8.00% to 8.99%	1.3	1.6	1.9	2.1	2.3
7.00% to 7.99%	1.4	1.8	2.2	2.4	2.6
6.00% to 6.99%	1.7	2.1	2.5	2.8	3.0
5.00% to 5.99%	1.9	2.4	2.8	3.1	3.4
4.00% to 4.99%	2.0	2.6	3.1	3.4	3.7
3.00% to 3.99%	2.1	2.7	3.2	3.6	3.9
2.00% to 2.99%	2.2	2.8	3.3	3.7	4.0
1.00% to 1.99%	2.3	2.9	3.4	3.8	4.1
0.00% to 0.99%	2.4	3.0	3.6	4.0	4.3
<b>Deficit Reserve Ratio:</b>					
-0.00% to -2.99%	3.4	4.3	5.1	5.6	6.1
-3.00% to -5.99%	3.4	4.3	5.1	5.7	6.2
-6.00% to -8.99%	3.5	4.4	5.2	5.8	6.3
-9.00% to -11.99%	3.5	4.5	5.3	5.9	6.4
-12.00% to -14.99%	3.6	4.6	5.4	6.0	6.5
-15.00% to -19.99%	3.6	4.6	5.5	6.1	6.6
-20.00% to -24.99%	3.7	4.7	5.6	6.2	6.7
-25.00% to -29.99%	3.7	4.8	5.6	6.3	6.8
-30.00% to -34.99%	3.8	4.8	5.7	6.3	6.9
-35.00% and under	5.4	5.4	5.8	6.4	7.0
New Employer Rate	2.8	2.8	2.8	3.1	3.4

<sup>1</sup>Fund balance as of March 31 as a percentage of taxable wages in the prior calendar year.

<sup>2</sup>Employer Reserve Ratio (Contributions minus benefits as a percentage of employer's taxable wages).

1 (F)(i) (Deleted by amendment, P.L.1997, c.263).

2 (ii) With respect to experience rating years beginning on or after  
3 July 1, 1997, if the fund reserve ratio, based on the fund balance as of  
4 the prior March 31, is less than 1.00%, the contribution rate for each  
5 employer liable to pay contributions, as computed under subparagraph  
6 (E) of this paragraph (5), shall be increased by a factor of 10%  
7 computed to the nearest multiple of 1/10% if not already a multiple  
8 thereof.

9 (G) On or after January 1, 1993, notwithstanding any other  
10 provisions of this paragraph (5), the contribution rate for each  
11 employer liable to pay contributions, as computed under subparagraph  
12 (E) of this paragraph (5), shall be decreased by 0.1%, except that,  
13 during any experience rating year starting before January 1, 1998 in  
14 which the fund reserve ratio is equal to or greater than 7.00% or  
15 during any experience rating year starting on or after January 1, 1998,  
16 in which the fund reserve ratio is equal to or greater than 3.5%, there  
17 shall be no decrease pursuant to this subparagraph (G) in the  
18 contribution of any employer who has a deficit reserve ratio of  
19 negative 35.00% or under.

20 (H) On or after January 1, 1993 until December 31, 1993,  
21 notwithstanding any other provisions of this paragraph (5), the  
22 contribution rate for each employer liable to pay contributions, as  
23 computed under subparagraph (E) of this paragraph (5), shall be  
24 decreased by a factor of 52.0% computed to the nearest multiple of  
25 1/10%, except that, if an employer has a deficit reserve ratio of  
26 negative 35.0% or under, the employer's rate of contribution shall not  
27 be reduced pursuant to this subparagraph (H) to less than 5.4%. The  
28 amount of the reduction in the employer contributions stipulated by  
29 this subparagraph (H) shall be in addition to the amount of the  
30 reduction in the employer contributions stipulated by subparagraph (G)  
31 of this paragraph (5), except that the rate of contribution of an  
32 employer who has a deficit reserve ratio of negative 35.0% or under  
33 shall not be reduced pursuant to this subparagraph (H) to less than  
34 5.4% and the rate of contribution of any other employer shall not be  
35 reduced to less than 0.0%.

36 On or after January 1, 1994 until December 31, 1995, except as  
37 provided pursuant to subparagraph (I) of this paragraph (5),  
38 notwithstanding any other provisions of this paragraph (5), the  
39 contribution rate for each employer liable to pay contributions, as  
40 computed under subparagraph (E) of this paragraph (5), shall be  
41 decreased by a factor of 36.0% computed to the nearest multiple of  
42 1/10%, except that, if an employer has a deficit reserve ratio of  
43 negative 35.0% or under, the employer's rate of contribution shall not  
44 be reduced pursuant to this subparagraph (H) to less than 5.4%. The  
45 amount of the reduction in the employer contributions stipulated by  
46 this subparagraph (H) shall be in addition to the amount of the

1 reduction in the employer contributions stipulated by subparagraph (G)  
2 of this paragraph (5), except that the rate of contribution of an  
3 employer who has a deficit reserve ratio of negative 35.0% or under  
4 shall not be reduced pursuant to this subparagraph (H) to less than  
5 5.4% and the rate of contribution of any other employer shall not be  
6 reduced to less than 0.0%.

7 On or after April 1, 1996 until December 31, 1996, the contribution  
8 rate for each employer liable to pay contributions, as computed under  
9 subparagraph (E) of this paragraph (5), shall be decreased by a factor  
10 of 25.0% computed to the nearest multiple of 1/10%, except that, if  
11 an employer has a deficit reserve ratio of negative 35.0% or under, the  
12 employer's rate of contribution shall not be reduced pursuant to this  
13 subparagraph (H) to less than 5.4%. The amount of the reduction in  
14 the employer contributions stipulated by this subparagraph (H) shall  
15 be in addition to the amount of the reduction in the employer  
16 contributions stipulated by subparagraph (G) of this paragraph (5),  
17 except that the rate of contribution of an employer who has a deficit  
18 reserve ratio of negative 35.0% or under shall not be reduced pursuant  
19 to this subparagraph (H) to less than 5.4% and the rate of contribution  
20 of any other employer shall not be reduced to less than 0.0%.

21 On or after January 1, 1997 until December 31, 1997, the  
22 contribution rate for each employer liable to pay contributions, as  
23 computed under subparagraph (E) of this paragraph (5), shall be  
24 decreased by a factor of 10.0% computed to the nearest multiple of  
25 1/10%, except that, if an employer has a deficit reserve ratio of  
26 negative 35.0% or under, the employer's rate of contribution shall not  
27 be reduced pursuant to this subparagraph (H) to less than 5.4%. The  
28 amount of the reduction in the employer contributions stipulated by  
29 this subparagraph (H) shall be in addition to the amount of the  
30 reduction in the employer contributions stipulated by subparagraph (G)  
31 of this paragraph (5), except that the rate of contribution of an  
32 employer who has a deficit reserve ratio of negative 35.0% or under  
33 shall not be reduced pursuant to this subparagraph (H) to less than  
34 5.4% and the rate of contribution of any other employer shall not be  
35 reduced to less than 0.0%.

36 On and after January 1, 1998 until December 31, 2000 and on or  
37 after January 1, 2002 until June 30, <sup>1</sup>[2004] <sup>3</sup>[2002<sup>1</sup>] 2003<sup>3</sup>, the  
38 contribution rate for each employer liable to pay contributions, as  
39 computed under subparagraph (E) of this paragraph (5), shall be  
40 decreased each calendar year by a factor, as set out below, computed  
41 to the nearest multiple of 1/10%, except that, if an employer has a  
42 deficit reserve ratio of negative 35.0% or under, the employer's rate of  
43 contribution shall not be reduced pursuant to this subparagraph (H) to  
44 less than 5.4%:

45 From January 1, 1998 until December 31, 1998, a factor of 12%;

46 From January 1, 1999 until December 31, 1999, a factor of 10%;

1 From January 1, 2000 until December 31, 2000, a factor of 7%.

2 From January 1, 2002 until June 30, 2002, a factor of 36%;

3 <sup>1</sup>[From July 1, 2002 until June 30, 2003, a factor of 15%;

4 From July 1, 2003 until December 31, 2004, a factor of 7%;]<sup>1</sup>

5 <sup>3</sup>From July 1, 2002 until June 30, 2003, a factor of 15%.<sup>3</sup>

6 The amount of the reduction in the employer contributions  
7 stipulated by this subparagraph (H) shall be in addition to the amount  
8 of the reduction in the employer contributions stipulated by  
9 subparagraph (G) of this paragraph (5), except that the rate of  
10 contribution of an employer who has a deficit reserve ratio of negative  
11 35.0% or under shall not be reduced pursuant to this subparagraph (H)  
12 to less than 5.4% and the rate of contribution of any other employer  
13 shall not be reduced to less than 0.0%.

14 (I) If the fund reserve ratio decreases to a level of less than 4.00%  
15 on March 31 of calendar year 1994 or calendar year 1995, the  
16 provisions of subparagraph (H) of this paragraph (5) shall cease to be  
17 in effect as of July 1 of that calendar year.

18 If, upon calculating the unemployment compensation fund reserve  
19 ratio pursuant to R.S.43:21-7(c)(5)(D) prior to March 31, 1997,  
20 March 31, 1998 or March 31, 1999, the controller finds that the fund  
21 reserve ratio has decreased to a level of less than 3.00%, the  
22 Commissioner of Labor shall notify the State Treasurer of this fact and  
23 of the dollar amount necessary to bring the fund reserve ratio up to a  
24 level of 3.00%. The State Treasurer shall, prior to March 31, 1997,  
25 March 31, 1998 or March 31, 1999, as applicable, transfer from the  
26 General Fund to the unemployment compensation fund, revenues in  
27 the amount specified by the commissioner and which, upon deposit in  
28 the unemployment compensation fund, shall result, upon recalculation,  
29 in a fund reserve ratio used to determine employer contributions  
30 beginning July 1, 1997, July 1, 1998, July 1, 1999, as applicable, of  
31 at least 3.00%.

32 If, upon calculating the unemployment compensation fund reserve  
33 ratio pursuant to R.S.43:21-7(c)(5)(D) prior to March 31, 2000, the  
34 controller finds that the fund reserve ratio has decreased to a level of  
35 less than 3.00%, the Commissioner of Labor shall notify the State  
36 Treasurer of this fact and of the dollar amount necessary to bring the  
37 fund reserve ratio up to a level of 3.00%. The State Treasurer shall,  
38 prior to March 31, 2000, transfer from the General Fund to the  
39 unemployment compensation fund, revenues in the amount specified  
40 by the commissioner and which, upon deposit in the unemployment  
41 compensation fund, shall result, upon recalculation, in a fund reserve  
42 ratio used to determine employer contributions beginning July 1, 2000  
43 of at least 3.00%.

44 (J) On or after July 1, 2001, notwithstanding any other provisions  
45 of this paragraph (5), the contribution rate for each employer liable to  
46 pay contributions, as computed under subparagraph (E) of this

1 paragraph (5), shall be decreased by 0.0175%, except that, during any  
2 experience rating year starting on or after July 1, 2001, in which the  
3 fund reserve ratio is equal to or greater than 3.5%, there shall be no  
4 decrease pursuant to this subparagraph (J) in the contribution of any  
5 employer who has a deficit reserve ratio of negative 35.00% or under.  
6 The amount of the reduction in the employer contributions stipulated  
7 by this subparagraph (J) shall be in addition to the amount of the  
8 reduction in the employer contributions stipulated by subparagraphs  
9 (G) and (H) of this paragraph (5), except that the rate of contribution  
10 of an employer who has a deficit reserve ratio of negative 35.0% or  
11 under shall not be reduced pursuant to this subparagraph (J) to less  
12 than 5.4% and the rate of contribution of any other employer shall not  
13 be reduced to less than 0.0%.

14 (6) Additional contributions.

15 Notwithstanding any other provision of law, any employer who has  
16 been assigned a contribution rate pursuant to subsection (c) of this  
17 section for the year commencing July 1, 1948, and for any year  
18 commencing July 1 thereafter, may voluntarily make payment of  
19 additional contributions, and upon such payment shall receive a  
20 recomputation of the experience rate applicable to such employer,  
21 including in the calculation the additional contribution so made. Any  
22 such additional contribution shall be made during the 30-day period  
23 following the date of the mailing to the employer of the notice of his  
24 contribution rate as prescribed in this section, unless, for good cause,  
25 the time for payment has been extended by the controller for not to  
26 exceed an additional 60 days; provided that in no event may such  
27 payments which are made later than 120 days after the beginning of  
28 the year for which such rates are effective be considered in  
29 determining the experience rate for the year in which the payment is  
30 made. Any employer receiving any extended period of time within  
31 which to make such additional payment and failing to make such  
32 payment timely shall be, in addition to the required amount of  
33 additional payment, a penalty of 5% thereof or \$5.00, whichever is  
34 greater, not to exceed \$50.00. Any adjustment under this subsection  
35 shall be made only in the form of credits against accrued or future  
36 contributions.

37 (7) Transfers.

38 (A) Upon the transfer of the organization, trade or business, or  
39 substantially all the assets of an employer to a successor in interest,  
40 whether by merger, consolidation, sale, transfer, descent or otherwise,  
41 the controller shall transfer the employment experience of the  
42 predecessor employer to the successor in interest, including credit for  
43 past years, contributions paid, annual payrolls, benefit charges, et  
44 cetera, applicable to such predecessor employer, pursuant to  
45 regulation, if it is determined that the employment experience of the  
46 predecessor employer with respect to the organization, trade, assets

1 or business which has been transferred may be considered indicative  
2 of the future employment experience of the successor in interest.  
3 Unless the predecessor employer was owned or controlled (by legally  
4 enforceable means or otherwise), directly or indirectly, by the  
5 successor in interest, or the predecessor employer and the successor  
6 in interest were owned or controlled (by legally enforceable means or  
7 otherwise), directly or indirectly, by the same interest or interests, the  
8 transfer of the employment experience of the predecessor shall not be  
9 effective if such successor in interest, within four months of the date  
10 of such transfer of the organization, trade, assets or business, or  
11 thereafter upon good cause shown, files a written notice protesting the  
12 transfer of the employment experience of the predecessor employer.

13 (B) An employer who transfers part of his or its organization,  
14 trade, assets or business to a successor in interest, whether by merger,  
15 consolidation, sale, transfer, descent or otherwise, may jointly make  
16 application with such successor in interest for transfer of that portion  
17 of the employment experience of the predecessor employer relating to  
18 the portion of the organization, trade, assets or business transferred to  
19 the successor in interest, including credit for past years, contributions  
20 paid, annual payrolls, benefit charges, et cetera, applicable to such  
21 predecessor employer. The transfer of employment experience may be  
22 allowed pursuant to regulation only if it is found that the employment  
23 experience of the predecessor employer with respect to the portion of  
24 the organization, trade, assets or business which has been transferred  
25 may be considered indicative of the future employment experience of  
26 the successor in interest. Credit shall be given to the successor in  
27 interest only for the years during which contributions were paid by the  
28 predecessor employer with respect to that part of the organization,  
29 trade, assets or business transferred.

30 (C) A transfer of the employment experience in whole or in part  
31 having become final, the predecessor employer thereafter shall not be  
32 entitled to consideration for an adjusted rate based upon his or its  
33 experience or the part thereof, as the case may be, which has thus been  
34 transferred. A successor in interest to whom employment experience  
35 or a part thereof is transferred pursuant to this subsection shall, as of  
36 the date of the transfer of the organization, trade, assets or business,  
37 or part thereof, immediately become an employer if not theretofore an  
38 employer subject to this chapter (R.S.43:21-1 et seq.).

39 (d) Contributions of workers to the unemployment compensation  
40 fund and the State disability benefits fund.

41 (1) (A) For periods after January 1, 1975, each worker shall  
42 contribute to the fund 1% of his wages with respect to his employment  
43 with an employer, which occurs on and after January 1, 1975, after  
44 such employer has satisfied the condition set forth in subsection (h) of  
45 R.S.43:21-19 with respect to becoming an employer; provided,  
46 however, that such contributions shall be at the rate of 1/2 of 1% of

1 wages paid with respect to employment while the worker is in the  
2 employ of the State of New Jersey, or any governmental entity or  
3 instrumentality which is an employer as defined under  
4 R.S.43:21-19(h)(5), or is covered by an approved private plan under  
5 the "Temporary Disability Benefits Law" or while the worker is  
6 exempt from the provisions of the "Temporary Disability Benefits  
7 Law" under section 7 of that law, P.L.1948, c.110 (C.43:21-31).

8 (B) Effective January 1, 1978 there shall be no contributions by  
9 workers in the employ of any governmental or nongovernmental  
10 employer electing or required to make payments in lieu of  
11 contributions unless the employer is covered by the State plan under  
12 the "Temporary Disability Benefits Law" (C.43:21-37 et seq.), and in  
13 that case contributions shall be at the rate of 1/2 of 1%, except that  
14 commencing July 1, 1986, workers in the employ of any  
15 nongovernmental employer electing or required to make payments in  
16 lieu of contributions shall be required to make contributions to the  
17 fund at the same rate prescribed for workers of other nongovernmental  
18 employers.

19 (C) (i) Notwithstanding the above provisions of this paragraph (1),  
20 during the period starting July 1, 1986 and ending December 31, 1992,  
21 each worker shall contribute to the fund 1.125% of wages paid with  
22 respect to his employment with a governmental employer electing or  
23 required to pay contributions or nongovernmental employer, including  
24 a nonprofit organization which is an employer as defined under  
25 R.S.43:21-19(h)(6), regardless of whether that nonprofit organization  
26 elects or is required to finance its benefit costs with contributions to  
27 the fund or by payments in lieu of contributions, after that employer  
28 has satisfied the conditions set forth in subsection R.S.43:21-19(h)  
29 with respect to becoming an employer. Contributions, however, shall  
30 be at the rate of 0.625% while the worker is covered by an approved  
31 private plan under the "Temporary Disability Benefits Law" while the  
32 worker is exempt under section 7 of that law, P.L.1948, c.110  
33 (C.43:21-31) or any other provision of that law; provided that such  
34 contributions shall be at the rate of 0.625% of wages paid with respect  
35 to employment with the State of New Jersey or any other  
36 governmental entity or instrumentality electing or required to make  
37 payments in lieu of contributions and which is covered by the State  
38 plan under the "Temporary Disability Benefits Law," except that, while  
39 the worker is exempt from the provisions of the "Temporary Disability  
40 Benefits Law" under section 7 of that law, P.L.1948, c.110  
41 (C.43:21-31) or any other provision of that law, or is covered for  
42 disability benefits by an approved private plan of the employer, the  
43 contributions to the fund shall be 0.125%.

44 (ii) (Deleted by amendment, P.L.1995, c.422.)

45 (D) Notwithstanding any other provisions of this paragraph (1),  
46 during the period starting January 1, 1993 and ending June 30, 1994,

1 each worker shall contribute to the unemployment compensation fund  
2 0.5% of wages paid with respect to the worker's employment with a  
3 governmental employer electing or required to pay contributions or  
4 nongovernmental employer, including a nonprofit organization which  
5 is an employer as defined under paragraph (6) of subsection (h) of  
6 R.S.43:21-19, regardless of whether that nonprofit organization elects  
7 or is required to finance its benefit costs with contributions to the fund  
8 or by payments in lieu of contributions, after that employer has  
9 satisfied the conditions set forth in subsection (h) of R.S.43:21-19  
10 with respect to becoming an employer. No contributions, however,  
11 shall be made by the worker while the worker is covered by an  
12 approved private plan under the "Temporary Disability Benefits Law,"  
13 P.L.1948, c.110 (C.43:21-25 et seq.) or while the worker is exempt  
14 under section 7 of P.L.1948, c.110 (C.43:21-31) or any other  
15 provision of that law; provided that the contributions shall be at the  
16 rate of 0.50% of wages paid with respect to employment with the  
17 State of New Jersey or any other governmental entity or  
18 instrumentality electing or required to make payments in lieu of  
19 contributions and which is covered by the State plan under the  
20 "Temporary Disability Benefits Law," except that, while the worker is  
21 exempt from the provisions of the "Temporary Disability Benefits  
22 Law" under section 7 of that law, P.L.1948, c.110 (C.43:21-31) or any  
23 other provision of that law, or is covered for disability benefits by an  
24 approved private plan of the employer, no contributions shall be made  
25 to the fund.

26 Each worker shall, starting on January 1, 1996 and ending March  
27 31, 1996, contribute to the unemployment compensation fund 0.60%  
28 of wages paid with respect to the worker's employment with a  
29 governmental employer electing or required to pay contributions or  
30 nongovernmental employer, including a nonprofit organization which  
31 is an employer as defined under paragraph (6) of subsection (h) of  
32 R.S.43:21-19, regardless of whether that nonprofit organization elects  
33 or is required to finance its benefit costs with contributions to the fund  
34 or by payments in lieu of contributions, after that employer has  
35 satisfied the conditions set forth in subsection (h) of R.S.43:21-19  
36 with respect to becoming an employer, provided that the contributions  
37 shall be at the rate of 0.10% of wages paid with respect to  
38 employment with the State of New Jersey or any other governmental  
39 entity or instrumentality electing or required to make payments in lieu  
40 of contributions.

41 Each worker shall, starting on January 1, 1998 and ending  
42 December 31, 1998, contribute to the unemployment compensation  
43 fund 0.10% of wages paid with respect to the worker's employment  
44 with a governmental employer electing or required to pay  
45 contributions or nongovernmental employer, including a nonprofit  
46 organization which is an employer as defined under paragraph (6) of

1 subsection (h) of R.S.43:21-19, regardless of whether that nonprofit  
2 organization elects or is required to finance its benefit costs with  
3 contributions to the fund or by payments in lieu of contributions, after  
4 that employer has satisfied the conditions set forth in subsection (h) of  
5 R.S.43:21-19 with respect to becoming an employer, provided that the  
6 contributions shall be at the rate of 0.10% of wages paid with respect  
7 to employment with the State of New Jersey or any other  
8 governmental entity or instrumentality electing or required to make  
9 payments in lieu of contributions.

10 Each worker shall, starting on January 1, 1999 until December 31,  
11 1999, contribute to the unemployment compensation fund 0.15% of  
12 wages paid with respect to the worker's employment with a  
13 governmental employer electing or required to pay contributions or  
14 nongovernmental employer, including a nonprofit organization which  
15 is an employer as defined under paragraph (6) of subsection (h) of  
16 R.S.43:21-19, regardless of whether that nonprofit organization elects  
17 or is required to finance its benefit costs with contributions to the fund  
18 or by payments in lieu of contributions, after that employer has  
19 satisfied the conditions set forth in subsection (h) of R.S.43:21-19  
20 with respect to becoming an employer, provided that the contributions  
21 shall be at the rate of 0.10% of wages paid with respect to  
22 employment with the State of New Jersey or any other governmental  
23 entity or instrumentality electing or required to make payments in lieu  
24 of contributions.

25 Each worker shall, starting on January 1, 2000 until December 31,  
26 2001, contribute to the unemployment compensation fund 0.20% of  
27 wages paid with respect to the worker's employment with a  
28 governmental employer electing or required to pay contributions or  
29 nongovernmental employer, including a nonprofit organization which  
30 is an employer as defined under paragraph (6) of subsection (h) of  
31 R.S.43:21-19, regardless of whether that nonprofit organization elects  
32 or is required to finance its benefit costs with contributions to the fund  
33 or by payments in lieu of contributions, after that employer has  
34 satisfied the conditions set forth in subsection (h) of R.S.43:21-19  
35 with respect to becoming an employer, provided that the contributions  
36 shall be at the rate of 0.10% of wages paid with respect to  
37 employment with the State of New Jersey or any other governmental  
38 entity or instrumentality electing or required to make payments in lieu  
39 of contributions.

40 Each worker shall, starting on January 1, 2002 until <sup>1</sup>[December  
41 31,]<sup>1</sup> [2002,]<sup>1</sup> [2006,] June 30,<sup>3</sup> [2002] 2003<sup>3</sup> .<sup>1</sup> contribute to the  
42 unemployment compensation fund 0.1825% of wages paid with  
43 respect to the worker's employment with a governmental employer  
44 electing or required to pay contributions or a nongovernmental  
45 employer, including a nonprofit organization which is an employer as  
46 defined under paragraph (6) of subsection (h) of R.S.43:21-19,

1 regardless of whether that nonprofit organization elects or is required  
2 to finance its benefit costs with contributions to the fund or by  
3 payments in lieu of contributions, after that employer has satisfied the  
4 conditions set forth in subsection (h) of R.S.43:21-19 with respect to  
5 becoming an employer, provided that the contributions shall be at the  
6 rate of 0.0825% of wages paid with respect to employment with the  
7 State of New Jersey or any other governmental entity or  
8 instrumentality electing or required to make payments in lieu of  
9 contributions.

10 Each worker shall, starting on and after <sup>1</sup>[January 1,]<sup>1</sup> [2003,]  
11 <sup>1</sup>[2007,] July 1, <sup>3</sup>[2002] 2003<sup>3</sup> .<sup>1</sup> contribute to the unemployment  
12 compensation fund 0.3825% of wages paid with respect to the  
13 worker's employment with a governmental employer electing or  
14 required to pay contributions or nongovernmental employer, including  
15 a nonprofit organization which is an employer as defined under  
16 paragraph (6) of subsection (h) of R.S.43:21-19, regardless of whether  
17 that nonprofit organization elects or is required to finance its benefit  
18 costs with contributions to the fund or by payments in lieu of  
19 contributions, after that employer has satisfied the conditions set forth  
20 in subsection (h) of R.S.43:21-19 with respect to becoming an  
21 employer, provided that the contributions shall be at the rate of  
22 0.0825% of wages paid with respect to employment with the State of  
23 New Jersey or any other governmental entity or instrumentality  
24 electing or required to make payments in lieu of contributions.

25 (E) Each employer shall, notwithstanding any provision of law in  
26 this State to the contrary, withhold in trust the amount of his workers'  
27 contributions from their wages at the time such wages are paid, shall  
28 show such deduction on his payroll records, shall furnish such  
29 evidence thereof to his workers as the division or controller may  
30 prescribe, and shall transmit all such contributions, in addition to his  
31 own contributions, to the office of the controller in such manner and  
32 at such times as may be prescribed. If any employer fails to deduct the  
33 contributions of any of his workers at the time their wages are paid, or  
34 fails to make a deduction therefor at the time wages are paid for the  
35 next succeeding payroll period, he alone shall thereafter be liable for  
36 such contributions, and for the purpose of R.S.43:21-14, such  
37 contributions shall be treated as employer's contributions required  
38 from him.

39 (F) As used in this chapter (R.S.43:21-1 et seq.), except when the  
40 context clearly requires otherwise, the term "contributions" shall  
41 include the contributions of workers pursuant to this section.

42 (G) Each worker shall, starting on July 1, 1994, contribute to the  
43 State disability benefits fund an amount equal to 0.50% of wages paid  
44 with respect to the worker's employment with a government employer  
45 electing or required to pay contributions to the State disability benefits  
46 fund or nongovernmental employer, including a nonprofit organization

1 which is an employer as defined under paragraph (6) of subsection (h)  
2 of R.S.43:21-19, unless the employer is covered by an approved  
3 private disability plan or is exempt from the provisions of the  
4 "Temporary Disability Benefits Law," P.L.1948, c.110 (C.43:21-25 et  
5 seq.) under section 7 of that law (C.43:21-31) or any other provision  
6 of that law.

7 (2) (A) (Deleted by amendment, P.L.1984, c.24.)

8 (B) (Deleted by amendment, P.L.1984, c.24.)

9 (C) (Deleted by amendment, P.L.1994, c.112.)

10 (D) (Deleted by amendment, P.L.1994, c.112.)

11 (E) (i) (Deleted by amendment, P.L.1994, c.112.)

12 (ii) (Deleted by amendment, P.L.1996, c.28.)

13 (iii) (Deleted by amendment, P.L.1994, c.112.)

14 (3) If an employee receives wages from more than one employer  
15 during any calendar year, and either the sum of his contributions  
16 deposited in and credited to the State disability benefits fund plus the  
17 amount of his contributions, if any, required towards the costs of  
18 benefits under one or more approved private plans under the  
19 provisions of section 9 of the "Temporary Disability Benefits Law"  
20 (C.43:21-33) and deducted from his wages, or the sum of such latter  
21 contributions, if the employee is covered during such calendar year  
22 only by two or more private plans, exceeds an amount equal to 1/2 of  
23 1% of the "wages" determined in accordance with the provisions of  
24 R.S.43:21-7(b)(3) during the calendar years beginning on or after  
25 January 1, 1976, the employee shall be entitled to a refund of the  
26 excess if he makes a claim to the controller within two years after the  
27 end of the calendar year in which the wages are received with respect  
28 to which the refund is claimed and establishes his right to such refund.  
29 Such refund shall be made by the controller from the State disability  
30 benefits fund. No interest shall be allowed or paid with respect to any  
31 such refund. The controller shall, in accordance with prescribed  
32 regulations, determine the portion of the aggregate amount of such  
33 refunds made during any calendar year which is applicable to private  
34 plans for which deductions were made under section 9 of the  
35 "Temporary Disability Benefits Law," such determination to be based  
36 upon the ratio of the amount of such wages exempt from contributions  
37 to such fund, as provided in subparagraph (B) of paragraph (1) of this  
38 subsection with respect to coverage under private plans, to the total  
39 wages so exempt plus the amount of such wages subject to  
40 contributions to the disability benefits fund, as provided in  
41 subparagraph (G) of paragraph (1) of this subsection. The controller  
42 shall, in accordance with prescribed regulations, prorate the amount  
43 so determined among the applicable private plans in the proportion  
44 that the wages covered by each plan bear to the total private plan  
45 wages involved in such refunds, and shall assess against and recover  
46 from the employer, or the insurer if the insurer has indemnified the

1 employer with respect thereto, the amount so prorated. The  
2 provisions of R.S.43:21-14 with respect to collection of employer  
3 contributions shall apply to such assessments. The amount so  
4 recovered by the controller shall be paid into the State disability  
5 benefits fund.

6 (4) If an individual does not receive any wages from the employing  
7 unit which for the purposes of this chapter (R.S.43:21-1 et seq.) is  
8 treated as his employer, or receives his wages from some other  
9 employing unit, such employer shall nevertheless be liable for such  
10 individual's contributions in the first instance; and after payment  
11 thereof such employer may deduct the amount of such contributions  
12 from any sums payable by him to such employing unit, or may recover  
13 the amount of such contributions from such employing unit, or, in the  
14 absence of such an employing unit, from such individual, in a civil  
15 action; provided proceedings therefor are instituted within three  
16 months after the date on which such contributions are payable. General  
17 rules shall be prescribed whereby such an employing unit may recover  
18 the amount of such contributions from such individuals in the same  
19 manner as if it were the employer.

20 (5) Every employer who has elected to become an employer  
21 subject to this chapter (R.S.43:21-1 et seq.), or to cease to be an  
22 employer subject to this chapter (R.S.43:21-1 et seq.), pursuant to the  
23 provisions of R.S.43:21-8, shall post and maintain printed notices of  
24 such election on his premises, of such design, in such numbers, and at  
25 such places as the director may determine to be necessary to give  
26 notice thereof to persons in his service.

27 (6) Contributions by workers, payable to the controller as herein  
28 provided, shall be exempt from garnishment, attachment, execution, or  
29 any other remedy for the collection of debts.

30 (e) Contributions by employers to State disability benefits fund.

31 (1) Except as hereinafter provided, each employer shall, in addition  
32 to the contributions required by subsections (a), (b), and (c) of this  
33 section, contribute 1/2 of 1% of the wages paid by such employer to  
34 workers with respect to employment unless he is not a covered  
35 employer as defined in section 3 of the "Temporary Disability Benefits  
36 Law" (C.43:21-27 (a)), except that the rate for the State of New  
37 Jersey shall be 1/10 of 1% for the calendar year 1980 and for the first  
38 six months of 1981. Prior to July 1, 1981 and prior to July 1 each year  
39 thereafter, the controller shall review the experience accumulated in  
40 the account of the State of New Jersey and establish a rate for the next  
41 following fiscal year which, in combination with worker contributions,  
42 will produce sufficient revenue to keep the account in balance; except  
43 that the rate so established shall not be less than 1/10 of 1%. Such  
44 contributions shall become due and be paid by the employer to the  
45 controller for the State disability benefits fund as established by law,  
46 in accordance with such regulations as may be prescribed, and shall

1 not be deducted, in whole or in part, from the remuneration of  
2 individuals in his employ. In the payment of any contributions, a  
3 fractional part of a cent shall be disregarded unless it amounts to  
4 \$0.005 or more, in which case it shall be increased to \$0.01.

5 (2) During the continuance of coverage of a worker by an  
6 approved private plan of disability benefits under the "Temporary  
7 Disability Benefits Law," the employer shall be exempt from the  
8 contributions required by subparagraph (1) above with respect to  
9 wages paid to such worker.

10 (3) (A) The rates of contribution as specified in subparagraph (1)  
11 above shall be subject to modification as provided herein with respect  
12 to employer contributions due on and after July 1, 1951.

13 (B) A separate disability benefits account shall be maintained for  
14 each employer required to contribute to the State disability benefits  
15 fund and such account shall be credited with contributions deposited  
16 in and credited to such fund with respect to employment occurring on  
17 and after January 1, 1949. Each employer's account shall be credited  
18 with all contributions paid on or before January 31 of any calendar  
19 year on his own behalf and on behalf of individuals in his service with  
20 respect to employment occurring in preceding calendar years;  
21 provided, however, that if January 31 of any calendar year falls on a  
22 Saturday or Sunday an employer's account shall be credited as of  
23 January 31 of such calendar year with all the contributions which he  
24 has paid on or before the next succeeding day which is not a Saturday  
25 or Sunday. But nothing in this act shall be construed to grant any  
26 employer or individuals in his service prior claims or rights to the  
27 amounts paid by him to the fund either on his own behalf or on behalf  
28 of such individuals. Benefits paid to any covered individual in  
29 accordance with Article III of the "Temporary Disability Benefits  
30 Law" on or before December 31 of any calendar year with respect to  
31 disability in such calendar year and in preceding calendar years shall be  
32 charged against the account of the employer by whom such individual  
33 was employed at the commencement of such disability or by whom he  
34 was last employed, if out of employment.

35 (C) The controller may prescribe regulations for the establishment,  
36 maintenance, and dissolution of joint accounts by two or more  
37 employers, and shall, in accordance with such regulations and upon  
38 application by two or more employers to establish such an account, or  
39 to merge their several individual accounts in a joint account, maintain  
40 such joint account as if it constituted a single employer's account.

41 (D) Prior to July 1 of each calendar year, the controller shall make  
42 a preliminary determination of the rate of contribution for the 12  
43 months commencing on such July 1 for each employer subject to the  
44 contribution requirements of this subsection (e).

45 (1) Such preliminary rate shall be 1/2 of 1% unless on the  
46 preceding January 31 of such year such employer shall have been a

1 covered employer who has paid contributions to the State disability  
2 benefits fund with respect to employment in the three calendar years  
3 immediately preceding such year.

4 (2) If the minimum requirements in (1) above have been fulfilled  
5 and the credited contributions exceed the benefits charged by more  
6 than \$500.00, such preliminary rate shall be as follows:

7 (i)  $\frac{2}{10}$  of 1% if such excess over \$500.00 exceeds 1% but is less  
8 than  $1\frac{1}{4}\%$  of his average annual payroll (as defined in this chapter  
9 (R.S.43:21-1 et seq.));

10 (ii)  $\frac{15}{100}$  of 1% if such excess over \$500.00 equals or exceeds  $1\frac{1}{4}\%$   
11 but is less than  $1\frac{1}{2}\%$  of his average annual payroll;

12 (iii)  $\frac{1}{10}$  of 1% if such excess over \$500.00 equals or exceeds  $1\frac{1}{2}\%$   
13 of his average annual payroll.

14 (3) If the minimum requirements in (1) above have been fulfilled  
15 and the contributions credited exceed the benefits charged but by not  
16 more than \$500.00 plus 1% of his average annual payroll, or if the  
17 benefits charged exceed the contributions credited but by not more  
18 than \$500.00, the preliminary rate shall be  $\frac{1}{4}$  of 1%.

19 (4) If the minimum requirements in (1) above have been fulfilled  
20 and the benefits charged exceed the contributions credited by more  
21 than \$500.00, such preliminary rate shall be as follows:

22 (i)  $\frac{35}{100}$  of 1% if such excess over \$500.00 is less than  $\frac{1}{4}$  of 1%  
23 of his average annual payroll;

24 (ii)  $\frac{45}{100}$  of 1% if such excess over \$500.00 equals or exceeds  
25  $\frac{1}{4}$  of 1% but is less than  $\frac{1}{2}$  of 1% of his average annual payroll;

26 (iii)  $\frac{55}{100}$  of 1% if such excess over \$500.00 equals or exceeds  
27  $\frac{1}{2}$  of 1% but is less than  $\frac{3}{4}$  of 1% of his average annual payroll;

28 (iv)  $\frac{65}{100}$  of 1% if such excess over \$500.00 equals or exceeds  
29  $\frac{3}{4}$  of 1% but is less than 1% of his average annual payroll;

30 (v)  $\frac{75}{100}$  of 1% if such excess over \$500.00 equals or exceeds  
31 1% of his average annual payroll.

32 (5) Determination of the preliminary rate as specified in (2), (3)  
33 and (4) above shall be subject, however, to the condition that it shall  
34 in no event be decreased by more than  $\frac{1}{10}$  of 1% of wages or  
35 increased by more than  $\frac{2}{10}$  of 1% of wages from the preliminary rate  
36 determined for the preceding year in accordance with (1), (2), (3) or  
37 (4), whichever shall have been applicable.

38 (E) (1) Prior to July 1 of each calendar year the controller shall  
39 determine the amount of the State disability benefits fund as of  
40 December 31 of the preceding calendar year, increased by the  
41 contributions paid thereto during January of the current calendar year  
42 with respect to employment occurring in the preceding calendar year.  
43 If such amount exceeds the net amount withdrawn from the  
44 unemployment trust fund pursuant to section 23 of the "Temporary  
45 Disability Benefits Law," P.L.1948, c.110 (C.43:21-47) plus the  
46 amount at the end of such preceding calendar year of the

1 unemployment disability account (as defined in section 22 of said law  
2 (C.43:21-46)), such excess shall be expressed as a percentage of the  
3 wages on which contributions were paid to the State disability benefits  
4 fund on or before January 31 with respect to employment in the  
5 preceding calendar year.

6 (2) The controller shall then make a final determination of the rates  
7 of contribution for the 12 months commencing July 1 of such year for  
8 employers whose preliminary rates are determined as provided in (D)  
9 hereof, as follows:

10 (i) If the percentage determined in accordance with paragraph  
11 (E)(1) of this subsection equals or exceeds 1 1/4%, the final employer  
12 rates shall be the preliminary rates determined as provided in (D)  
13 hereof, except that if the employer's preliminary rate is determined as  
14 provided in (D)(2) or (D)(3) hereof, the final employer rate shall be  
15 the preliminary employer rate decreased by such percentage of excess  
16 taken to the nearest 5/100 of 1%, but in no case shall such final rate  
17 be less than 1/10 of 1%.

18 (ii) If the percentage determined in accordance with paragraph  
19 (E)(1) of this subsection equals or exceeds 3/4 of 1% and is less than  
20 1 1/4 of 1%, the final employer rates shall be the preliminary employer  
21 rates.

22 (iii) If the percentage determined in accordance with paragraph  
23 (E)(1) of this subsection is less than 3/4 of 1%, but in excess of 1/4 of  
24 1%, the final employer rates shall be the preliminary employer rates  
25 determined as provided in (D) hereof increased by the difference  
26 between 3/4 of 1% and such percentage taken to the nearest 5/100 of  
27 1%; provided, however, that no such final rate shall be more than 1/4  
28 of 1% in the case of an employer whose preliminary rate is determined  
29 as provided in (D)(2) hereof, more than 1/2 of 1% in the case of an  
30 employer whose preliminary rate is determined as provided in (D)(1)  
31 and (D)(3) hereof, nor more than 3/4 of 1% in the case of an employer  
32 whose preliminary rate is determined as provided in (D)(4) hereof.

33 (iv) If the amount of the State disability benefits fund determined  
34 as provided in paragraph (E)(1) of this subsection is equal to or less  
35 than 1/4 of 1%, then the final rate shall be 2/5 of 1% in the case of an  
36 employer whose preliminary rate is determined as provided in (D)(2)  
37 hereof, 7/10 of 1% in the case of an employer whose preliminary rate  
38 is determined as provided in (D)(1) and (D)(3) hereof, and 1.1% in the  
39 case of an employer whose preliminary rate is determined as provided  
40 in (D)(4) hereof. Notwithstanding any other provision of law or any  
41 determination made by the controller with respect to any 12-month  
42 period commencing on July 1, 1970, the final rates for all employers  
43 for the period beginning January 1, 1971, shall be as set forth herein.  
44 (cf: P.L.2001, c.152, s.13)

45

46 <sup>2</sup>[3.] 4<sup>2</sup> Section 29 of P.L.1992, c.160 (C.43:21-7b) is amended

1 to read as follows:

2 29. a. Beginning January 1, 1993 until December 31, 1995, except  
3 as provided pursuant to subsection b. of this section, each employee  
4 shall, in such a manner and at such times as determined by the  
5 commissioner, contribute to the fund an amount equal to 0.6% of the  
6 employee's taxable wages.

7 Beginning April 1, 1996 through December 31, 1996, each  
8 employee shall, in such a manner and at such times as determined by  
9 the commissioner, contribute to the fund an amount equal to 0.6% of  
10 the employee's taxable wages, except that the total amount contributed  
11 to the fund when combined with the employee's contribution made  
12 pursuant to R.S.43:31-7(d)(1)(D) for the period January 1, 1996  
13 through March 31, 1996, shall not exceed 0.6% of the employee's  
14 taxable wages for the 1996 calendar year.

15 Beginning January 1, 1997 through December 31, 1997, each  
16 employee shall, in such a manner and at such times as determined by  
17 the commissioner, contribute to the fund an amount equal to 0.5% of  
18 the employee's taxable wages.

19 Beginning on January 1, 1998 until December 31, 1998, each  
20 employee shall, in such a manner and at such times as determined by  
21 the commissioner, contribute to the fund an amount equal to 0.30% of  
22 the employee's taxable wages.

23 Beginning on January 1, 1999 until December 31, 1999, each  
24 employee shall, in such a manner and at such times as determined by  
25 the commissioner, contribute to the fund an amount equal to 0.25% of  
26 the employee's taxable wages.

27 Beginning on January 1, 2000 until <sup>1</sup>[December 31,]<sup>1</sup> [2002,]  
28 <sup>1</sup>[2006] June 30, <sup>3</sup>[2002] 2003 <sup>3</sup>, <sup>1</sup>each employee shall, in such a  
29 manner and at such times as determined by the commissioner,  
30 contribute to the fund an amount equal to 0.20% of the employee's  
31 taxable wages.

32 Also beginning on January 1, 1993 until December 31, 1995 and  
33 beginning April 1, 1996 until December 31, 1997, each employer shall,  
34 in such a manner and at such times as determined by the commissioner,  
35 contribute to the fund an amount equal to the amount that the  
36 employer's contribution to the unemployment compensation fund is  
37 decreased pursuant to subparagraph (H) of paragraph (5) of subsection  
38 (c) of R.S.43:21-7.

39 Also beginning on January 1, 1998 until December 31, 2000, <sup>1</sup>and  
40 beginning on January 1, 2002 and ending June 30, <sup>3</sup>[2002]<sup>1</sup> 2003,<sup>3</sup>  
41 each employer shall, in such a manner and at such times as determined  
42 by the commissioner, contribute to the fund an amount equal to the  
43 amount that the employer's contribution to the unemployment  
44 compensation fund is decreased pursuant to subparagraph (H) of  
45 paragraph (5) of subsection (c) of R.S.43:21-7.

46 b. If the unemployment compensation fund reserve ratio, as

1 determined pursuant to paragraph (5) of subsection (c) of  
2 R.S.43:21-7, decreases to a level of less than 4.00% on March 31 of  
3 calendar year 1994 or calendar year 1995, the provisions of subsection  
4 a. of this section shall cease to be in effect as of July 1 of that calendar  
5 year and each employer who would be subject to making the  
6 contributions pursuant to subsection a. of this section if that  
7 subsection were in effect shall, beginning on July 1 of that calendar  
8 year, contribute to the fund an amount equal to 0.62% of the total  
9 wages paid by the employer and shall continue to contribute that  
10 amount until December 31, 1995.

11 c. If the total amount of contributions to the fund pursuant to this  
12 section during the calendar year 1993 exceeds \$600 million, all  
13 contributions which exceed \$600 million shall be deposited in the  
14 unemployment compensation fund. If the total amount of  
15 contributions to the fund pursuant to this section during calendar year  
16 1994 or calendar year 1995 exceeds \$500 million, all contributions  
17 which exceed \$500 million shall be deposited in the unemployment  
18 compensation fund. If the total amount of contributions made to the  
19 fund pursuant to this section for the calendar year 1996 or 1997  
20 exceeds \$330 million, all contributions which exceed \$330 million in  
21 calendar year 1996 or 1997 shall be deposited in the unemployment  
22 compensation fund. If the total amount of contributions made to the  
23 fund pursuant to this section for the calendar year 1998 exceeds \$288  
24 million, all contributions which exceed \$288 million in the calendar  
25 year 1998 shall be deposited in the unemployment compensation fund.  
26 If the total amount of contributions made to the fund pursuant to this  
27 section for the calendar year 1999 exceeds \$233.9 million, all  
28 contributions which exceed \$233.9 million in the calendar year 1999  
29 shall be deposited in the unemployment compensation fund. If the  
30 total amount of contributions made to the fund pursuant to this section  
31 for the calendar year 2000 exceeds \$178.6 million, all contributions  
32 which exceed \$178.6 million in the calendar year 2000 shall be  
33 deposited in the unemployment compensation fund. If the total  
34 amount of contributions made to the fund pursuant to this section for  
35 the calendar year 2001 exceeds \$94.9 million, all contributions which  
36 exceed \$94.9 million in the calendar year 2001 shall be deposited in  
37 the unemployment compensation fund. If the total amount of  
38 contributions made to the fund pursuant to this section for the  
39 [calendar year] period beginning January 1, 2002 and ending June 30,  
40 2002 exceeds [\$66.5] \$391.5 million, all contributions which exceed  
41 [\$66.5] \$391.5 million in the [calendar year] period beginning  
42 January 1, 2002 and ending June 30, 2002 shall be deposited in the  
43 unemployment compensation fund. <sup>1</sup>[If the total amount of  
44 contributions made to the fund pursuant to this section for the fiscal  
45 year 2003 exceeds \$325 million, all contributions which exceed \$325  
46 million in the fiscal year 2003 shall be deposited in the unemployment

1 compensation fund. If the total amount of contributions made to the  
 2 fund pursuant to this section for the fiscal year 2004 exceeds \$250  
 3 million, all contributions which exceed \$250 million in the fiscal year  
 4 2004 shall be deposited in the unemployment compensation fund. If  
 5 the total amount of contributions made to the fund pursuant to this  
 6 section for the fiscal year 2005 exceeds \$175 million, all contributions  
 7 which exceed \$175 million in the fiscal year 2005 shall be deposited in  
 8 the unemployment compensation fund. If the total amount of  
 9 contributions made to the fund pursuant to this section for the fiscal  
 10 year 2006 exceeds \$100 million, all contributions which exceed \$100  
 11 million in the fiscal year 2006 shall be deposited in the unemployment  
 12 compensation fund.]<sup>1</sup> <sup>3</sup>If the total amount of contributions made to  
 13 the fund pursuant to this section for the fiscal year 2003 exceeds \$325  
 14 million, all contributions which exceed \$325 million in the fiscal year  
 15 2003 shall be deposited in the unemployment compensation fund.<sup>3</sup>

16 d. All necessary administrative costs related to the collection of  
 17 contributions pursuant to this section shall be paid from the  
 18 contributions.

19 (cf: P.L.1997, c.263, s.14)

20

21 <sup>2</sup>[4.] <sup>2</sup> Section 32 of P.L.1992, c.160 (C.43:21-7e) is amended  
 22 to read as follows:

23 32. a. If an employee receives wages from more than one  
 24 employer during any calendar year, and the sum of the employee's  
 25 contributions deposited in the fund exceeds an amount equal to 0.6%  
 26 of the wages determined in accordance with the provisions of  
 27 paragraph (3) of subsection (b) of R.S.43:21-7 during calendar year  
 28 1993, calendar year 1994 or calendar year 1995, the employee shall be  
 29 entitled to a refund of the excess if a claim establishing the employee's  
 30 right to the refund is made within two years after the end of the  
 31 respective calendar year in which the wages are received and are the  
 32 subject of the claim. The commissioner shall refund any overpayment  
 33 from the fund without interest.

34 If an employee receives wages from more than one employer during  
 35 the calendar year 1996 and the sum of the employee's contributions  
 36 deposited in the unemployment compensation fund during the period  
 37 January 1, 1996 through March 31, 1996 and the employee's  
 38 contributions deposited in the health care subsidy fund during the  
 39 period April 1, 1996 through December 31, 1996 exceeds an amount  
 40 equal to 0.6% of the wages determined in accordance with the  
 41 provisions of paragraph (3) of subsection (b) of R.S.43:21-7 which  
 42 wages are received during the period January 1, 1996 through  
 43 December 31, 1996, the employee shall be entitled to a refund of the  
 44 excess if a claim establishing the employee's right to the refund is made  
 45 within two years after the end of the respective calendar year in which  
 46 the wages are received and are the subject of the claim. The

1 commissioner shall refund any overpayment without interest from the  
2 unemployment compensation fund or the health care subsidy fund, or  
3 both, as appropriate.

4 If an employee receives wages from more than one employer during  
5 the calendar year 1997, and the sum of the employee's contributions  
6 deposited in the fund exceeds an amount equal to 0.5% of the wages  
7 determined in accordance with the provisions of paragraph (3) of  
8 subsection (b) of R.S.43:21-7 during calendar year 1997, the employee  
9 shall be entitled to a refund of the excess if a claim establishing the  
10 employee's right to the refund is made within two years after the end  
11 of the respective calendar year in which the wages are received and are  
12 the subject of the claim. The commissioner shall refund any  
13 overpayment from the fund without interest.

14 If an employee receives wages from more than one employer during  
15 the calendar year 1998, 1999, 2000[,] or 2001 [or 2002] and the  
16 sum of the employee's contributions deposited in the unemployment  
17 compensation fund and the employee's contributions deposited in the  
18 health care subsidy fund during the calendar year 1998, 1999, 2000[,]  
19 or 2001 [or 2002] exceeds an amount equal to 0.4% of the wages  
20 determined in accordance with the provisions of paragraph (3) of  
21 subsection (b) of R.S.43:21-7 which wages are received during the  
22 respective calendar year, the employee shall be entitled to a refund of  
23 the excess if a claim establishing the employee's right to the refund is  
24 made within two years after the end of the respective calendar year in  
25 which the wages are received and are the subject of the claim. The  
26 commissioner shall refund any overpayment without interest from the  
27 unemployment compensation fund or the health care subsidy fund, or  
28 both, as appropriate.

29 If an employee receives wages from more than one employer during  
30 the calendar year 2002 or any subsequent calendar year, and the sum  
31 of the employee's contributions deposited in the unemployment  
32 compensation fund and the employee's contributions deposited in the  
33 health care subsidy fund during the calendar year 2002 or the  
34 subsequent year exceeds an amount equal to 0.3825% of the wages  
35 determined in accordance with the provisions of paragraph (3) of  
36 subsection (b) of R.S.43:21-7 which wages are received during the  
37 respective calendar year, the employee shall be entitled to a refund of  
38 the excess if a claim establishing the employee's right to the refund is  
39 made within two years after the end of the respective calendar year in  
40 which the wages are received and are the subject of the claim. The  
41 commissioner shall refund any overpayment without interest from the  
42 unemployment compensation fund or the health care subsidy fund, or  
43 both, as appropriate.

44 b. Any employee who is a taxpayer and entitled, pursuant to the  
45 provisions of subsection a. of this section, to a refund of contributions  
46 deducted during a tax year from his wages shall, in lieu of the refund,

1 be entitled to a credit in the full amount thereof against the tax  
2 otherwise due on his New Jersey gross income for that tax year if he  
3 submits his claim for the credit and accompanies that claim with  
4 evidence of his right to the credit in the manner provided by regulation  
5 by the Director of the Division of Taxation. In any case in which the  
6 amount, or any portion thereof, of any credit allowed hereunder results  
7 in or increases an excess of income tax payment over income tax  
8 liability, the amount of the new or increased excess shall be considered  
9 an overpayment and shall be refunded to the taxpayer in the manner  
10 provided by subsection (a) of N.J.S.54A:9-7.  
11 (P.L.1997, c.263, s.15)

12  
13 <sup>2</sup>[5.] 6.<sup>2</sup> Section 4 of P.L.1971, c.346 (C.43:21-7.3) is amended  
14 to read as follows:

15 4. (a) Notwithstanding any other provisions of the "unemployment  
16 compensation law" for the payment of contributions, benefits paid to  
17 individuals based upon wages earned in the employ of any  
18 governmental entity or instrumentality which is an employer defined  
19 under R.S.43:21-19(h)(5) shall, to the extent that such benefits are  
20 chargeable to the account of such governmental entity or  
21 instrumentality in accordance with the provisions of R.S.43:21-1 et  
22 seq., be financed by payments in lieu of contributions.

23 (b) Any governmental entity or instrumentality may, as an  
24 alternative to financing benefits by payments in lieu of contributions,  
25 elect to pay contributions beginning with the date on which its  
26 subjectivity begins by filing written notice of its election with the  
27 department no later than 120 days after such subjectivity begins,  
28 provided that such election shall be effective for at least two full  
29 calendar years; or it may elect to pay contributions for a period of not  
30 less than two calendar years beginning January 1 of any year if written  
31 notice of such election is filed with the department not later than  
32 February 1 of such year; provided, further, that such governmental  
33 entity or instrumentality shall remain liable for payments in lieu of  
34 contributions with respect to all benefits paid based on base year  
35 wages earned in the employ of such entity or instrumentality in the  
36 period during which it financed its benefits by payments in lieu of  
37 contributions.

38 (c) Any governmental entity or instrumentality may terminate its  
39 election to pay contributions as of January 1 of any year by filing  
40 written notice not later than February 1 of any year with respect to  
41 which termination is to become effective. It may not revert to a  
42 contributions method of financing for at least two full calendar years  
43 after such termination.

44 (d) Any governmental entity or instrumentality electing the option  
45 for contributions financing shall report and pay contributions in  
46 accordance with the provisions of R.S.43:21-7 except that,

1 notwithstanding the provisions of that section, the contribution rate for  
2 such governmental entity or instrumentality shall be 1% for the entire  
3 calendar year 1978 and the contribution rate for any subsequent  
4 calendar years shall be the rate established for governmental entities  
5 or instrumentalities under subsection (e) of this section.

6 (e) On or before September 1 of each year, the Commissioner of  
7 Labor shall review the composite benefit cost experience of all  
8 governmental entities and instrumentalities electing to pay  
9 contributions and, on the basis of that experience, establish the  
10 contribution rate for the next following calendar year which can be  
11 expected to yield sufficient revenue in combination with worker  
12 contributions to equal or exceed the projected costs for that calendar  
13 year.

14 (f) Any covered governmental entity or instrumentality electing to  
15 pay contributions shall each year appropriate, out of its general funds,  
16 moneys to pay the projected costs of benefits at the rate determined  
17 under subsection (e) of this section. These funds shall be held in a  
18 trust fund maintained by the governmental entity for this purpose. Any  
19 surplus remaining in this trust fund may be retained in reserve for  
20 payment of benefit costs for subsequent years either by contributions  
21 or payments in lieu of contributions.

22 (g) Any governmental entity or instrumentality electing to finance  
23 benefit costs with payments in lieu of contributions shall pay into the  
24 fund an amount equal to all benefit costs for which it is liable pursuant  
25 to the provisions of the "unemployment compensation law." Each  
26 subject governmental entity or instrumentality shall require payments  
27 from its workers in the same manner and amount as prescribed under  
28 R.S.43:21-7(d) for governmental entities and instrumentalities  
29 financing their benefit costs with contributions. No such payment shall  
30 be used for a purpose other than to meet the benefits liability of such  
31 governmental entity or instrumentality. In addition, each subject  
32 governmental entity or instrumentality shall appropriate out of its  
33 general funds sufficient moneys which, in addition to any worker  
34 payments it requires, are necessary to pay its annual benefit costs  
35 estimated on the basis of its past benefit cost experience; provided that  
36 for its first year of coverage, its benefit costs shall be deemed to  
37 require an appropriation equal to 1% of the projected total of its  
38 taxable wages for the year. These appropriated moneys and worker  
39 payments shall be held in a trust fund maintained by the governmental  
40 entity or instrumentality for this purpose. Any surplus remaining in  
41 this trust fund shall be retained in reserve for payment of benefit costs  
42 in subsequent years. If a governmental entity or instrumentality  
43 requires its workers to make payments as authorized herein, such  
44 workers shall not be subject to the contributions required in  
45 R.S.43:21-7(d).

46 (h) Notwithstanding the provisions of the above subsection (g),

1 commencing July 1, 1986 worker contributions to the unemployment  
 2 trust fund with respect to wages paid by any governmental entity or  
 3 instrumentality electing or required to make payments in lieu of  
 4 contributions, including the State of New Jersey, shall be made in  
 5 accordance with the provisions of R.S.43:21-7(d)(1)(C) or  
 6 R.S.43:21-7(d)(1)(D), as applicable, and, in addition, each  
 7 governmental entity or instrumentality electing or required to make  
 8 payments in lieu of contributions shall, except during the period  
 9 starting January 1, 1993 and ending December 31, 1995 and the period  
 10 starting April 1, 1996 and ending December 31, 1998, require  
 11 payments from its workers at the following rates of wages paid, which  
 12 amounts are to be held in the trust fund maintained by the  
 13 governmental entity or instrumentality for payment of benefit costs:  
 14 for the calendar year 1999, 0.05%; for each calendar year 2000 to  
 15 [2002,] <sup>1</sup> [2006,] 2002, <sup>1</sup> <sup>3</sup> and the period from January 1, 2003 to  
 16 June 30, 2003, <sup>3</sup> 0.10%; and each calendar year thereafter, 0.30%.  
 17 (cf: P.L.1997, c.263, s.13)

18  
 19 <sup>2</sup>7. (New section) For the purposes of the Emergency  
 20 Unemployment Benefits Program and as used in sections 7 through 11  
 21 of P.L. , c. (C. )(now pending before the Legislature as this  
 22 bill):

23 "Emergency unemployment benefits" means benefits financed  
 24 entirely by the State and paid to exhaustees pursuant to sections 7  
 25 through 11 of P.L. , c. (C. )(now pending before the  
 26 Legislature as this bill).

27 "Emergency unemployment benefit period" means a period not  
 28 within an extended benefit period, which:

- 29 a. Begins on December 30, 2001, and
- 30 b. Ends on March 9, 2002 or at the conclusion of the calendar  
 31 week in which total expenditures of emergency unemployment benefits  
 32 chargeable to the unemployment compensation fund Statewide first  
 33 exceed \$100 million, if the conclusion of that week occurs before  
 34 March 9, 2002.

35 No emergency unemployment benefits shall be paid to any  
 36 individual with respect to periods of unemployment after March 9,  
 37 2002.

38 "Eligibility period" of an exhaustee means the period consisting of  
 39 the weeks in the exhaustee's benefit year which begin in an emergency  
 40 unemployment benefit period and, if that benefit year ends in the  
 41 emergency unemployment benefit period, any weeks thereafter which  
 42 begin in the period.

43 "Exhaustee" means an individual who exhausted all of the regular  
 44 benefits that were available to the individual pursuant to the  
 45 "unemployment compensation law," R.S.43:21-1 et seq., (including  
 46 benefits payable to federal civilian employees and ex-service persons

1 or payable under the combined wage program) after November 24,  
2 2001 and before December 30, 2001, or during any calendar week of  
3 the emergency unemployment benefit period. No individual who  
4 exhausted all of the available regular benefits prior to November 25,  
5 2001 shall be eligible for emergency unemployment benefits.<sup>2</sup>

6  
7 <sup>2</sup>8. (New section) During an emergency unemployment benefit  
8 period, an exhaustee who otherwise continues to meet the eligibility  
9 requirements for regular benefits pursuant to the provisions of the  
10 "unemployment compensation law," R.S.43:21-1 et seq., and who is  
11 not eligible for any other unemployment benefits, including benefits  
12 provided for by any federal law extending benefits beyond those  
13 provided for as regular benefits or extended benefits, may receive  
14 weekly emergency unemployment benefits for weeks subsequent to  
15 December 29, 2001 in an amount equal to the weekly benefit amount  
16 of the exhaustee's most recent regular unemployment benefit claim  
17 subject to the provisions of the "unemployment compensation law,"  
18 R.S.43:21-1 et seq. The maximum emergency unemployment benefits  
19 an individual may receive pursuant to sections 7 through 11 of  
20 P.L. \_\_, c. \_\_ (C. \_\_)(now pending before the Legislature as this bill)  
21 is 10 times the weekly benefit amount that was payable to the  
22 individual pursuant to the "unemployment compensation law,"  
23 R.S.43:21-1 et seq., (including benefits payable to federal civilian  
24 employees and ex-service persons or payable under the combined wage  
25 program) in the individual's applicable benefit year.<sup>2</sup>

26  
27 <sup>2</sup>9. (New section) No employer's account shall be charged for  
28 emergency unemployment benefits paid to an unemployed individual  
29 pursuant to sections 7 through 11 of P.L. \_\_, c. \_\_ (C. \_\_)(now  
30 pending before the Legislature as this bill), except for the account of  
31 an out-of-State employer who is liable for charges under the Combined  
32 Wage Program. However, nothing in this section shall be construed  
33 to relieve employers electing to make payments in lieu of contributions  
34 pursuant to section 3 or 4 of P.L.1971, c.346 (C.43:21-7.2 or  
35 C.43:21-7.3) from reimbursing the unemployment benefits paid to an  
36 unemployed individual pursuant to sections 7 through 11 of P.L. \_\_,  
37 c. \_\_ (C. \_\_)(now pending before the Legislature as this bill).

38 Emergency unemployment benefits paid to federal civilian  
39 employees shall be charged to the appropriate federal account.  
40 Emergency unemployment benefits paid to ex-service persons shall be  
41 charged to the General Fund.<sup>2</sup>

42  
43 <sup>2</sup>10. (New section) Emergency unemployment benefits may be  
44 paid pursuant to the provisions of sections 7 through 11 of P.L. \_\_,  
45 c. \_\_ (C. \_\_)(now pending before the Legislature as this bill) only with  
46 respect to weeks not within an extended benefit period, and not within

1 a period covered by any federal law allowing the filing of new claims  
2 extending benefits beyond those provided for as regular or extended  
3 benefits.<sup>2</sup>

4  
5 <sup>2</sup>11. (New section) The division shall use appropriate  
6 administrative means to insure that emergency unemployment benefits  
7 are paid only to individuals who meet the requirements of sections 7  
8 through 11 of P.L. , c. (C. )(now pending before the  
9 Legislature as this bill). These administrative actions may include, but  
10 shall not be limited to, matching the claimant's social security number  
11 against available wage records to insure that no earnings were  
12 reported for that claimant by employers under R.S.43:21-14 for  
13 periods in which emergency unemployment benefits were paid.<sup>2</sup>

14

15 <sup>2</sup>[6.] 12.<sup>2</sup> This act shall take effect immediately.